

# *The* **NATIONAL UNDERWRITER** *Life Insurance Edition*

**Have the ANSWERS Handy!**

to all those puzzling questions (*It costs little  
and pays well*)

Get your OWN PERSONAL Copy of

**The New 1943 "LITTLE GEM"**



**You Must Have UP-TO-DATE Facts!**

It takes accurate immediate answers to sell today's prospects. The new 1943 "Little Gem" provides these for thousands of policy, rate, cost, value, dividend, option and financial statement questions. Its 672 pages, providing the data on some 170 companies, will help you emphasize the strong points of your proposition and often enable you to close "on the spot". Use the SURE STRATEGY—be thoroughly familiar with the facts and figures of your business. Then you'll be most effective!

**Get Exact Information!—Get the NEW "LittleGem"!**

Single Copy Price \$2.50—(Less in Quantity)—You May Order ONE, "On Approval"

Published by The National Underwriter Co.—Statistical Division—420 East Fourth Street, Cincinnati

**FRIDAY, JUNE 4, 1943**

# ANNOUNCEMENT

**T**HE NATIONAL UNDERWRITER COMPANY has purchased Kirschner's Insurance Directories of California which have been published for a number of years by Kirschner & Company of San Francisco, insurance advertising specialists. The Kirschner California directories will be combined with The National Underwriter's Underwriters Handbook of California, which will continue to be published annually.

This purchase applies only to the state insurance directory portion of the business of Kirschner & Company. As in the past, Kirschner & Company will continue to publish its insurance telephone directories for San Francisco and Los Angeles, and to produce the advertising material that has been its specialty.

**THE NATIONAL UNDERWRITER COMPANY**  
CINCINNATI • CHICAGO • NEW YORK

## Proposed New Statement Form Wins Acclaim

**Report Is Much  
Simplified and Value  
to Public Enhanced**

The proposed new annual statement form for life companies which has been released for discussion and criticism by the joint committee of the American Life Convention and Life Presidents Association is winning much favorable comment. The committee went at the task with the idea of building from the ground up and not doing a patch work job on the old statement form which has been developed over the years and has never been completely overhauled.

Bruce Batho, actuary of Country Life, gave an analysis of the proposed new statement form at the annual meeting of the Actuarial Club of Chicago and it is to a considerable extent from his observations that this discussion is derived.

The committee is not seeking immediate adoption of the form and it is inviting criticism. Releasing the form at this time is in the nature of an interim report. Even though the form should be universally acclaimed and if it were acceptable to the commissioners without change the committee would not desire its immediate adoption because it might at this time aggravate the manpower problem.

### Key Figures on Three Pages

Under the proposed form, Page 1 is the title page and all the information that the average member of the public would ever desire appears on pages 2, 3 and 4. The balance of the statement consists of exhibits, showing how the items on pages 2, 3 and 4 were arrived at: working sheets and investment schedules.

On Page 2 appears the asset table, on Page 3 the liabilities and capital and surplus and on Page 4 income and disbursements, the latter being designated "charges against income," and also the surplus account. Each of these features is simplified and clarified and stripped of any subheading showing how an item is determined since all of that material would be available in the exhibits, working sheets and schedules. Such particulars are mainly of concern to the insurance departments and under the present form, it is felt, they merely serve to make the essential figures appear complicated and formidable to the average person and indeed even to commercial accountants and other experts.

Removed from the asset column is any reference to ledger and non-ledger assets and admitted and non-admitted assets. There is simply a single entry for each item and a single asset total. It is pointed out that even to a well posted accountant distinctions between ledger and non-ledger and admitted and non-admitted are frequently meaningless unless he is familiar with the procedure of the particular company under scrutiny. For instance, in making up a statement a company may take a real estate investment from ledger assets, add to it a non-ledger item and deduct from that a non-admitted item. In the proposed statement all that is given is the final value for which credit is taken.

(CONTINUED ON PAGE 10)

## Problems Created by War Eyed by Canadian Life Men

TORONTO—H. W. Manning, general manager Great-West Life, was elected president of the Canadian Life Officers Association at the 50th annual meeting here. M. J. Smith, Equitable Life of Canada, was named first vice-president, and J. D. Buchanan, London Life, second vice-president. E. C. McDonald, Metropolitan Life is honorary treasurer.

J. E. Chandler, Sun Life of Canada, was named chairman of the Life Insurance Advertisers Section, with Percy Lyons, Manufacturers Life, and Castle

cannot be dealt with by general legislation.

"If future events show the necessity for legislation, careful thought must be given to the nature of it. The soldier's sacrifice is made in the interests of the nation as a whole and not merely for the policyholders of any one company or group of companies; hence the financial burden involved in any such legislation should be borne by the nation and not by life insurance policyholders as a class."

Since the Canadian Life Officers Association was formed 50 years ago, life insurance in force in the Dominion has increased from \$300,000,000 to over \$7,800,000,000, or 25 times, while per capita holdings have increased 10 times to \$680.

### Tax Aid Only Slight

Although many thought that the income tax recognition given life insurance in Canada would greatly increase sales, there has been only a slight gain in volume since the provision has been in effect, R. Leighton Foster, general counsel, reported.

It has been difficult to keep policyholders going into service informed regarding the suspension of the disability and double indemnity benefits of their life policies because companies in many cases are not aware that policyholders have entered service, Mr. Foster stated.

The problem was considered by a special committee and it was agreed that additional efforts should be made to inform such persons as to the status of their benefits, Mr. Foster explained. It was felt that it was bad for the morale of the armed forces and bad for public relations of the companies if service men were allowed to continue thinking that they had coverage when in actual fact they had none. Finally the minister of national defense was asked to give instructions that a notice be posted on the bulletin boards of all military establishments suggesting that any policyholder who had not already been informed as to the status of his benefits should communicate immediately with his company for full information.

### Kumpf Reports on Advertising

In presenting his report on institutional advertising, Ford S. Kumpf said that plans for including radio and vacation picture advertising had been suspended for the duration. Magazine advertising, directed especially to the women, now supplements the regular newspaper campaigns. Thirty-five companies, representing 96% of the premium income in Canada, contributed \$91,881 to the advertising campaign last year.

## Life Companies Are Rapidly Selling Their Farms

Life companies owing to the present situation are in a favorable spot, speaking of those that have farms for sale. Most companies will dispose of almost all their remaining farms this year and they will realize a profit. They have made good money on the farms that they have held. City property acquired unless it is of the jumbo class such as large buildings is being disposed of in most cases at a profit. Where companies had to take over a so-called "white elephant" in a city there is little chance of sale. Office buildings in cities are earning more because there have been no structures

## Commissioners' Card Announced for Annual Meeting

**Schedule of Events for  
the Convention in  
Historic Boston**

BOSTON—Boston hospitality, in its traditional form, subject only to the restrictions incident to the scarcity of gasoline, will be extended next week to the commissioners of practically all the states.

Edward C. Stone, U. S. manager of Employers Liability, is chairman of the executive and finance committee, which has been in general charge of the reception and entertainment.

An honorary reception committee consists of the president of each Massachusetts company.

### Executive Committee Meeting

Registration will take place at the Hotel Statler Sunday morning and the first social get-together will be at the Pop Concert of the Boston Symphony Orchestra, starting at 8:15 p.m. The executive committee of the commissioners will hold a session at 3:30 p.m.

Monday morning there will be committee meetings from 9 to 11. From 11 to 12:15 there will be a formal welcoming gathering at the hotel with luncheon at 1. Lieut.-Gov. Horace Cahill and Mayor Tobin of Boston will formally welcome the guests. Following the luncheon Custodian Robert Winn of the Old North Church, where Paul Revere hung his lanterns, will give a lecture on points of historic interest. Rt. Rev. Robert P. Barry will give grace and "God Bless America" will be sung by Mrs. J. Herbert Graves, wife of the Arkansas commissioner. The afternoon, from 2:30 to 7, will be taken up with group meetings, while the ladies will be taken to points of interest around Boston.

Tuesday the commissioners will convene for their business sessions at 10 a.m., continuing until noon and reconvening at 2 to 2:30 p.m. During the day the ladies will be taken to the state house, home office building of New England Mutual Life, Christian Science Church, Boston public library, Boston Art Museum and be given a luncheon on the Hotel Sheraton roof.

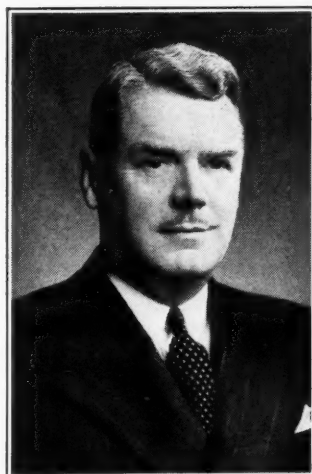
Tuesday evening will be held the dinner provided by the Massachusetts insurance companies. Governor Saltonstall will be the principal speaker.

Wednesday morning the final business session of the convention will be

(CONTINUED ON PAGE 11)

erected. Mercantile buildings in many cases in the outlying districts in cities are vacant.

The farm situation, however, is quite roseate. In fact companies can hardly expect to reinvest their money in other avenues that will yield as much as has been coming from the farms. Farm prices have increased quite a bit but there is no indication that life companies are loaning on over valued farms as they did during the first world war. Companies are watching the farm mortgage market very carefully and are not being drawn into an artificially stimulated price competition.



**H. W. MANNING**

Graham, London Life, as vice-chairmen.

R. G. McDonald, Canada Life, was elected chairman of the Life Agency Officers, with William Laird, London Life, vice-chairman.

### Service Men Problem

Although recent survey shows that the rate of lapsation and surrenders on pre-war life policies held by servicemen is considerably lower than the general rate, the calling of older men to service may intensify the problem, J. G. Parker, general manager Imperial Life of Canada, pointed out in his presidential address before the Canadian Life Officers Association. Under the volunteer system most men entering service arranged for their life insurance payments satisfactorily and to date those who have been drafted in Canada have not been persons with large financial commitments.

Mr. Parker's talk was particularly timely as the Canadian house is being asked to give more consideration to servicemen's property, including life insurance payments.

### Evils of Moratoria

Mr. Parker pointed out that special consideration for individual cases might be more advisable than a general blanket ruling as "all 'moratoria' or 'assistance' legislation carries with it the danger that the persons for whose protection it is designed will rely on it too heavily and not exercise their own ingenuity to meet their commitments. It is an easy thing for a person to fall back on such legislation and think he needs to take advantage of it, when actually, by cutting his expenditures to meet his resources, he can carry along."

### Must Consider Legislation

Despite the fact that some servicemen cannot possibly carry all their civil obligations, many civilians also at times find themselves in the same position, and there is a great deal to be said for the view that such cases are special and

# Opportunities for New Men in Life Insurance as Seen by General Agent

NEW YORK—Any general agent or manager who wants to keep on feeling depressed about the recruiting problem or the opportunities for new men in life insurance selling should steer clear of Harry F. Gray, general agent of Connecticut Mutual in New York City. Mr. Gray is very well pleased with the recruiting situation and feels that the chances for new men to get off to a good start in selling life insurance are better than at any time since the stock market bubble blew up in 1929.

Furthermore, Mr. Gray backs his views by putting his money behind these new men and will continue betting on men who meet his qualifications. In general he found that men recruited when the going apparently was not so good showed a higher average paid production than those taken on in a more favorable period.

## Made Private Survey

Some months ago Mr. Gray got to wondering about the widespread pessimistic attitude toward recruiting. Instead of making an unusually intensive drive to offset the loss of men to the armed forces as well as the normal agency turnover, it appeared that most agencies were making less than the usual effort, apparently in the belief that conditions were against them.

To get a broad view of the situation Mr. Gray supplemented what he had learned through personal contacts by quite an extensive correspondence. He found that in spite of today's special need for new blood only about one-half as many new men were being put on when he made his survey as during the preceding year in this area. The attitude of many general agents with whom he talked was that if business was so hard for experienced men to get what was the use of expecting new men to make a living selling life insurance? The reasons alleged for the experienced men's failure to do better were the usual ones: prospects gone into the armed forces, fear of heavier income taxes, obligation to buy war bonds, and general uncertainty about the future.

## Drove Out Negative Ideas

It seemed to Mr. Gray largely a problem of mental attitude on the part of agency heads and agents. At the same time he realized that it takes more than a diagnosis to effect a cure. To fill his agents so full of positive thoughts that there would be no room for negative ones he arranged a three day meeting to be attended by all of his 30 agents. Each day from 9:30 to 4:30 with only a short time out for lunch was devoted to reviewing all sales angles and proposals in the company's sales material and to a complete review of prospecting methods. Two home office agency men came down from Hartford to assist.

"When we started we had about as blue a group of men as any agency could have," said Mr. Gray. "At the end, I never saw so much optimism in my life."

One of the things which the participants did was to write out their sales talks and to see if they could improve on them. Prospect lists were analyzed to make sure that agents were not going around in circles. There was a realistic discussion of prospect sources, concentrating on types of business which are making money. One of Mr. Gray's maxims is that under today's conditions it is more necessary than ever for the agent to be versatile. Hence special stress was laid on the business insurance, taxation, and pension fields for Mr. Gray does not feel that these need to be sacred only to the experts. He has stressed the study of these matters in

the company's advanced education program which his agents have been studying for some time. As an example of selling in a field supposedly reserved to specialists, one of Mr. Gray's agents who was taken on rather recently has sold three stock purchase plans.

## SEES BIG FIELD

Naturally, the big reason that Mr. Gray is optimistic about life insurance selling for new men is that he feels that there is a marvelous opportunity for the sale of life insurance whether the agent is experienced or a novice. The time to recruit, he says, is any time that it is possible for new men to sell life insurance and this is an exceptional opportunity to ask a man to go into the business.

To those who are willing to divert their attention from the dismal aspects of the situation Mr. Gray can point out a glittering array of reasons why life insurance can be sold today. The big reason is that there is more employment than for many years that this means big payrolls and payrolls mean more money in circulation, even than during the 1920's. At the same time, every month people are making their last payments on a car, a washing machine, or a refrigerator, and they can't buy these articles any more. From an investment point of view there is no competition from mortgages, building and loan associations, the stock market, and all the types of investments that were beckoning the customer's dollars in the 1920's.

## Respect for Business Insurance

Another bright spot in today's sales picture, according to Mr. Gray, is the greatly increased respect with which corporation managements and other business men have for business life insurance. There has never been so much interest in discussing business insurance as there is today. Another point is the public's appreciation of optional settlements both for dependents and for retirement values. Nearly every application today carries a settlement option provision.

"I'll grant you it's a selective prospecting market," said Mr. Gray, "but when did you ever find that it wasn't? We've

always had to look for the needle in the haystack and we always will."

One important feature of today's recruiting picture, Mr. Gray has found, as compared with 15 years ago is first that it is necessary to pick better men and second—which has been insufficiently appreciated—it is necessary for the general agent to study the type of people the new man knows and has been accustomed to associate with and then train him in such a way that he can most effectively sell these contacts. For example, in the old days when a young man was taken on it was quite natural to teach him a package sale of clean-up policy, a logical type of purchase for young men of his own age and circumstances.

## Birds of a Feather

Today the older man who is being taken on may have his logical contacts among men of executive caliber. It is pointless to teach such an agent a package clean-up sale, for the men to whom he would talk have had their insurance programmed and audited by experts. It is necessary to school the agent in business insurance and tax matters. Though offhand this might seem to run the risk of confusing a novice it has not worked out that way in the Gray agency. This is partly due to Mr. Gray's endeavor to simplify these ordinarily complex coverages. For example, he has worked out a visual selling plan for business insurance by which a new agent recently wrote two \$5,000 business insurance policies, though he is still very far from being a business insurance expert.

## TWO SHEETS USED

This consists merely of two mimeographed sheets which the agent shows to the prospect. The first sheet points out that there are two vital problems to face in the event of a stockholder's death where the stock is held by only a few members of the firm: first, to continue the business as a going concern for the benefit of the surviving stockholders; second, to give the heirs of the deceased stockholders a fair rate of income on their stock. It states that "by checking the following we may learn of what benefit business insurance may

be to you if you survive your associate and to your heirs if you should die first." Below this introductory material is a list of questions to be checked by the prospect:

Should you survive your associate:

1. If the heirs should become active stockholders, would the change in management cause a loss in your income?
2. If the heirs remain inactive in the management, would this change cause a loss in income?
3. If the heirs sold their stock to someone outside, would this change in management cause embarrassment?
4. If you could buy the stock from the heirs, would you feel that your own stock would be better secured?
5. Do you think the heirs would sell to you?

If so, could you agree to a fair price? Would you have the cash?

Should you die first:

1. Does the firm now pay dividends?
2. Is a large percentage of earnings distributed through salaries and bonuses?
3. Do you think salaries and bonuses will be reduced so that your heirs will have a larger dividend?
4. Do you think the firm would produce a larger income if your family was active in the management?
5. Would they be better off if they sold the stock at a fair price for cash?
6. Would your associates buy your stock?

If so, would they give a fair price? Would they have the cash?

## WILL PROVIDE CASH

The second sheet brings out the fact that a life insurance purchase agreement if entered into by the firm's members will provide a buy-and-sell clause specifying a fair price and an agreement for the heirs to sell and will provide cash to complete the sale. The remainder of this sheet is as follows:

Would a "buy and sell" clause be of interest?

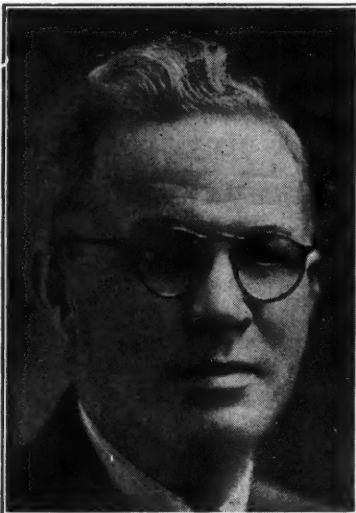
Would you like to see a plan outlining how to arrive at a fair sale price?

Should we include a clause showing how the stock is transferred?

Would you be interested in having a

(CONTINUED ON PAGE 9)

## Commissioners Leaders Ready for Boston Rally



J. S. WILLIAMS, III, Miss.  
President



C. F. J. HARRINGTON, Mass.  
Vice-president



JESS G. READ, Okla.  
Secretary

## Assured Wants Combination Life, Annuity Money Back

### Claims Tax Feature Misrepresented —Court Sees Right of Action

An assured who bought a combination single premium insurance and annuity contract on the representation that the sum payable at death was exempt from federal estate tax and who seeks rescission of the contract and return of the consideration on the ground that Bureau of Internal Revenue has ruled that the proceeds of such contracts are subject to estate taxes, has a right of action, the U. S. circuit court of appeals for the tenth circuit has held in *Walter C. Fawcett vs. Sun Life of Canada*, Myrtle Neese, Blanche Sullens, Reba Lewis and Carol Reed.

The federal court in Colorado had ruled that Fawcett had not stated a cause of action and dismissed his complaint. The higher court held that this was error and reversed and remanded the case with directions to reinstate the petition and proceed to a determination of the issues.

#### Pays Single Premium of \$44,000

Sun Life delivered to Fawcett on Jan. 1, 1939, two documents described as a combination single premium insurance and annuity contract. In one it agreed to pay his beneficiaries \$40,000 upon his death and in the other it agreed to pay him annually \$1,049.44 during his life. Fawcett paid a single premium of \$44,000.

Fawcett alleged that the insurer warranted that the Bureau of Internal Revenue had ruled that the insurance part of such a contract was insurance and would not be subject to federal estate tax. Fawcett alleged that he advised Sun Life he would not accept the contract if the \$40,000 was subject to tax. He asserted that he was not versed in the law, the rulings of the Internal Revenue Bureau or the interpretations of such contracts; that before purchasing, he desired to have his personal attorney examine the documents and give him advice; that Sun Life represented that its attorneys were experts and learned in the law in that line of work and that they had given the subject careful investigation and knew the law applicable to such matters; that their opinion could be relied upon with safety while his personal attorney would be more interested in keeping the \$40,000 in the estate, as the larger the estate the larger the attorney's fee for administration would be.

Fawcett went on to charge that this was not an insurance contract, that the \$40,000 is and was subject to a federal estate tax, that the representations of Sun Life as to tax exemption were false and fraudulent and known to Sun Life to be false at the time of their making, "or were made with a reckless disregard of the truth or falsity thereof. . . ."

#### Sun Life's Contention

Sun Life argued that Fawcett at most alleged representations or predictions as to what the law would be at the time of his death; that no one could foretell what the law would then be and that, therefore, the representations were not actionable.

The court stated that Fawcett desired to create an estate for the beneficiaries which would not be subject to

(CONTINUED ON PAGE 8)

## Beveridge and U. S. Social Security Plans Compared

TORONTO—There are vast differences in viewpoint between the British Beveridge plan and that of the American Resources Planning Board—differences that make the American plan resemble one of the "fairy" tales which Mr. Churchill said he was not going to tell the public, E. M. McConney, vice-president Bankers Life of Iowa, declared before the annual meeting of the Canadian Life Officers Association here.

"The Beveridge plan," he said, "drives home two points—first, that the success of any plan must depend upon the maintenance of a good national income in the postwar period and second, that social security must be achieved by cooperation between the government and the individual; but in establishing a national minimum the government should leave room and encouragement for voluntary action by the individual to provide more than that minimum for himself and his family. His plan also sets up tentative lists of contributions and taxes in actual figures.

#### Not Found in U. S. Plan

"These points unfortunately find no place in the new deal plan. The planning board offers no budget of contributions but argues in a mild way about employee wage deductions, ignoring completely that this emphasizes the adoption of still more labor-saving machinery; it strongly opposes sales taxes but recommends that a proportion of the funds be raised by general tax revenues collected on a progressive basis."

"Out of every war comes social change," Mr. McConney pointed out. "In this one we can already see some of the new concepts of the social significance of business. Our problem, there-

## Meeting of Coast Actuaries Takes Up Varied Topics

LOS ANGELES—Economic trends and the postwar situation were discussed at the spring meeting here of the Actuarial Club of the Pacific. President Carl E. Herfurth of the consulting actuarial firm of Coates & Herfurth was unable to attend and Vice-president Floyd Young, Western Life of Helena, conducted the meeting.

The new non-forfeiture values came in for considerable discussion, tied in with the Guertin bill passed by the California legislature, just adjourned. A. G. Hann, actuary Pacific Mutual Life, and G. E. Cannon, actuary of Oregon Mutual Life, led the discussion of that topic.

The English Beveridge plan and the National Resources Planning Board social security proposals were discussed from various angles.

#### Hope Talks on Contingent Funds

Francis M. Hope, actuary emeritus of Occidental Life, gave an exhaustive paper on contingent funds, how they are built and how they are released. The paper was discussed by Mr. Hann, Marcus Gunn, California-Western States Life, and Gordon Thompson, West Coast Life. The need for contingent funds was stressed as the cushion to meet whatever need may arise from decrease in investment earnings and unexpected mortality losses. The necessity of setting them

(CONTINUED ON PAGE 8)

fore, is to manage our companies in such a manner that we can continue to provide these social values by individual initiative instead of by governmental cartel."

## Current Problems Eyed at Industrial Insurers Parley

### Program of Economics Society Endorsed:

#### E. L. Phillips Is President

ATLANTA—The Industrial Insurers Conference at its abbreviated one-day annual meeting here confined its activities to an executive session dealing with problems of taxation, manpower, gasoline and tire rationing, and investments. The program of the Insurance Economics Society was presented to the conference and a resolution was adopted wholeheartedly endorsing the society's work, activities and aims.

E. L. Phillips, treasurer of Gulf Life, was elected president to succeed F. F. Leith, president of Peoples Life. Edwin W. Craig, executive vice-president of National Life & Accident, was named vice-president, and W. Caswell Ellis, vice-president of Franklin National Life, was reelected secretary.

#### Kendall Heads Executive Committee

Curtis P. Kendall, vice-president of Washington National, becomes chairman of the executive committee, to



E. L. Phillips



F. F. LEITH

which the following were elected: H. T. Dobbs, executive vice-president of Industrial Life & Health; Mr. Leith; W. V. Walker, vice-president of Life & Casualty; H. C. E. Johnson, executive vice-president Interstate Life & Accident; T. N. Kidd, manager ordinary department Home Beneficial Life; Bascom Baynes, president of Home Security Life; S. B. Coley, president Durham Life, and E. H. Speckman, president Kentucky Central Life & Accident. The executive committee reelected Raymund Daniel executive secretary-treasurer for the fifth term.

There was a representative attendance of executives from 34 company members at the meeting. President Leith reported a satisfactory year, and Secretary Daniel gave his report. George R. Kendall, president of Washington National, discussed taxes, and W. J. Hamrick, Gulf

## Anything Can Happen

"You never know—anything can happen," is a remark the life underwriter often uses when selling life insurance. In this case, the insured was an unmarried man who started a retirement income policy in August of 1941, fifteen months before Pearl Harbor.

A year later he was newly married and in the army, and another year later he was in the midst of an adventure inconceivable at the time he was insured.

This policyholder was one of the twelve heroic air corps men involved in the grim drama of the crew of the Flying Fortress which, ferrying across the Atlantic, flew aside to try to find a plane reported lost.

Their own Fortress was wrecked, and they were marooned for five months on the Greenland ice cap, living in the damaged plane. When through ingenuity they were able to repair their broken radio, rescue planes came and, being unable to land on the ice, dropped supplies, including sleds with which an escape was effected. But our policyholder was one of the five who lost their lives in this Homeric adventure.

(Wisely, he had also carried the full limit of the government's war risk insurance.)

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

Life, presented the manpower topic. Discussants of the latter subject were Otis P. Grant, Life & Casualty; H. T. Dobbs, Curtis P. Kendall and R. M. Anderson, Peninsular Life. Mr. Grant and Mr. Anderson commented that employment of women so far has produced good results.

#### Investment Situation Is Treated

P. W. Jones, Bankers Health & Life, E. H. Speckman, Kentucky Central Life, Mr. Grant and Mr. Hamrick discussed the subject. J. R. Leal, Interstate Life & Accident, and Frank P. Samford, Liberty National Life, outlined the investment situation.

"Industrial Insurance as an Essential Commodity" was detailed by Messrs. Ellis, Samford, Leal and Craig and William Wallace, actuary of Palmetto Life.

Payment of premiums was the subject discussed by A. C. Palmio, assistant secretary of the Home State Life of Oklahoma. President C. G. Snead of Independent Life & Accident of Jacksonville brought up the matter of wage stabilization of office employees.

Past President P. M. Estes, retired general counsel of the Life & Casualty of Nashville, was heartily welcomed by the convention and discussed general conditions.

#### A.F.L. Social Security Measure Is Introduced

Senator Wagner of New York is scheduled to introduce this week a social security bill that is sponsored by the American Federation of Labor. It would provide a unified unemployment compensation plan, general health and hospitalization insurance, employment compensation and disability cover for men in uniform after their discharge, on a 26 week basis, with provision for extension to 52 weeks in certain circumstances; disability insurance for all workers and for service men physically disabled while in armed services; extension of old age and survivors benefits to those in agricultural and domestic employment and to self employed persons. The bill provides for a 12% payroll tax to be divided evenly between employer and employee.

#### OPA Rules on Fishermen

The Office of Price Administration has ruled that cannery owners may continue to pay the war risk insurance of fishermen and boat owners supplying them where this has been the custom without being guilty of evasion of the maximum prices set for tuna. Previously payment of such premiums was regarded as a violation of price regulations. The ruling is effective June 4.

#### Management Men Elect

Gage McCotter, first vice-president of Grain Dealers National Mutual, has been elected president of the Indianapolis chapter of the National Office Management Association. Richard J. Layton of "Rough Notes" is vice-president; A. W. Leeb, Indianapolis Life, treasurer. Miss M. F. Lats, Jefferson National Life, was elected a director.

#### Lindahl Leaves Minn. Department

Robert T. Lindahl, for nearly 20 years on the staff of the Minnesota department and deputy commissioner for eight years under George W. Wells, Jr., has resigned to become manager of the New Deal Benefit Association of St. Cloud, Minn.

This is one of the largest benefit associations in Minnesota, with about 14,000 members. The past few years Mr. Lindahl has been an examiner of the benefit associations and is especially well informed in that field.

A meeting of representatives of Minnesota assessment benefit associations will be held in Minneapolis early in June to talk over their problems. Legislation which they sponsored failed of enactment at the recent session of the legislature.

#### Withholding of Federal Tax May Increase Sales on Monthly Premium Basis

Some agents and companies already are studying the effect on the payments of annual premiums and the sale of new annual premium business which the proposed withholding of federal income tax would have. The monthly deductions for the income tax, coming on top of the old age benefit deduction, the deduction for war bonds, etc., may have a tendency to make the average life insurance buyer reluctant to commit himself to meet any further large single obligations once a year.

Companies generally have discouraged the monthly payment premium idea on ordinary business because of the added cost of handling. Insured who pays semi-annually, quarterly or monthly are charged interest. Since a few of the companies already have devised means by which assured can pay premiums monthly and yet meet the premium payment on an annual basis, other companies may devise similar schemes in order not to be at a competitive disadvantage.

A few companies have a plan under which assured, after having paid one annual premium a year in advance, can accumulate one-twelfth of the premium per month with the company to meet the next premium payment and thus not suffer the interest penalty. One of the companies offers 1% interest on the advance accumulation as an incentive, and in order to make the plan flexible permits the payment of any amount of premium in advance, with the 1% saving. It would be much easier to get insured paid ahead one year now than after the war, life men believe.

Where an agency can offer some scheme of this sort to make the premium payments easier under the proposed withholding tax, it has an ideal approach for contacting all assured already on the books.

Companies with a plan of this kind in operation say that the lapse rate on this business is considerably lower than on business handled in the customary way. The assured is always well ahead of his obligation whereas on a regular monthly basis if he misses an installment he then owes two, which makes the payments harder to meet. Under the deposit plan he is always a year ahead in case he gets badly strapped.

Many agents present the cost of a policy to a prospect in terms of a quarterly (or even a monthly) premium and also on an annual plan with the savings possible by paying annually strongly emphasized. This encourages assured to pay annually. Whether this idea will now be effective, when the prospect may feel that he does not have any choice, but must pay on a monthly basis, is a question in the minds of some agents. It might serve only to emphasize the penalty he must pay in the way of interest and thus discourage the sale.

#### Cramsie Laadt Names Long

Cramsie, Laadt & Co., Chicago agency which represents Northwestern National Life as general agent, has appointed John M. Long manager of its life department. From 1924 to 1941 he was an agent in the Lustgarten agency of Equitable Society, Chicago, and did recruiting and training work. The past 1½ years he has been fiscal agent of ordinance plants in Dixon, Ill., and La Porte, Ind., handling all insurance, including group life.

#### Des Moines Out of 48-Hour List

DES MOINES—The War Manpower Commission has placed the Des Moines area in group 2, eliminating the immediate possibility of a 48-hour work week for business firms, including insurance companies. The commission last month put the city in group 1, which indicated a labor shortage. The regional office at Minneapolis, however, held up ordering the 48-hour work week.

## The FIELD UNDERWRITER IS IMPORTANT *because ...*

By  
Holgar J. Johnson  
President  
Institute of Life Insurance



One of a  
series of  
statements  
by national  
leaders

He is a vital factor in building the social and financial security of our people. It is largely through his effort that the \$130,000,000,000 of security which the American people enjoy through their life insurance has been created. He, more than anyone else, is instrumental in maintaining this great reservoir of protection at full force and effectiveness. The life insurance which he helps to create and maintain will continue to be the principal means of providing security and protection for our people. Through the aid, counsel and guidance which he gives to the families of America, the field underwriter exerts a significant influence on the entire social fabric of the nation.

He is an essential factor in building the economic strength and stability of our country. Through his work the pooled capital resources of the American people are brought together in life insurance. These resources are thus made available through investment in industry, farm enterprise, and home building for the expansion of our economic life, culminating in the development of higher standards of living. Today much of these life insurance funds, responsive to the changing requirements of the nation, flow into government bonds in aid of the war effort.

He is a good citizen, under war conditions as well as in time of peace. As a good citizen today, he is making a contribution to the war effort that goes far beyond his own business activities and services. He carries his share of the war and defense activities in his local community. He is giving time and energy to the sale of war bonds and stamps and is directly promoting health on the home front. In addition to these, through his daily tasks well done he helps build morale through creating and maintaining family security; he helps to stabilize the home front; he helps to offset inflation by promoting thrift.

The product which the field underwriter has to sell—protection and security through life insurance—concerns very intimately the lives of all of us. His service is in fact, a social service which helps forge the future security for the people of the nation.

This space has been offered to leaders in the life insurance fraternity in the interest of properly appraising the value of field underwriting in wartime America. It is hoped that this series will prove beneficial to Field Underwriters of this and all companies. Reprints will be gladly furnished on request.

#### HOME LIFE INSURANCE CO., NEW YORK, N. Y.

Ethelbert Ide Low, Chairman of the Board

James A. Fulton, President

William P. Worthington, Vice President and Superintendent of Agencies

## Importance of Contingency Funds Is Emphasized

### Time of Prosperity Is Time to Prepare for Reversal

Because of the extreme uncertainty of the immediate future and because insurers have lost surplus interest which is one of their principal margins, the importance of contingency funds is emphasized, according to F. M. Hope, actuary emeritus of Occidental Life of California, who addressed the annual meeting of the Actuarial Club of the Pacific in Los Angeles.

Times of prosperity in any particular direction should be regarded as a time to prepare for reverse conditions, he said. This applies to times of low mortality, low surrender and lapse, easy collection of interest on investments.

This, he said, is a time of false prosperity caused by the immense manufacturing of weapons of destruction and the colossal borrowing upon the tax paying ability of future generations. As a consequence of full employment, lapses are low and there is a good claim psychology. Policyholders are holding on to their old policies which are free of war clause. Suicides and malingering under disability contracts are scarcely in evidence. Cash surrenders are low. Policy loans are being paid off. Income is well in excess of disbursements.

#### Prepare for Extreme Storms

Legal reserves are for average weather sailing and the companies must prepare for extreme storms in calm weather. Although the legal reserve is mathematical, inflexible and not adapted to abnormal contingencies, in practice it is surrounded by many flexible safeguards.

The problem of a contingency fund is largely one for the investment department as the business looks forward to possible cash demands, depreciation of securities and inadequate interest.

The companies are vulnerable to extra mortality from war and there may be civilian bombings, he declared. Other abnormal contingencies which life insurance may have to face include: Abnormal mortality caused by war, epidemic, suicide due to financial depression, etc.; falling rate of interest possibly below that guaranteed; refinancing of good yield investments due to easy money, later on, possible depreciation, frozen assets, cash runs on policy values, unemployment; perhaps excess of disbursements over income, lapsation and loss of good renewal margins, disappointment of policyholders due to reduced dividends, increased expenses and taxes, increased disability claims.

Against these there are in the ordinary course certain safeguards such as assumed future mortality containing margin for periodic epidemics, etc.; low assumed future interest; loading over and above the reserve net premium; one-half year's unexpired risk under the redundant American experience table plus mortuary premiums coming in under that table; reserve for unreported claims; investment restrictions by law; amortized values for bonds; appreciation in value of securities held; commissioners method of averaging market values when market is unduly low; surrender charges; insurance of bank deposits; free surplus and liquidity of assets; right to delay cash values six months; dividend margins in participating premiums; development of policy forms not subject

to cash run; and borrowing from RFC or Federal National Mortgage Association; moratorium; stop to the writing of new business, capital stock; substantiality of stockholders; laws for restoring the solvency of a company; reinsurance or merger.

Free surplus, he said, should probably cover contingency funds, as some might object to ear marking any contingency fund for any particular purpose because all contingency funds should be available and come to the rescue on any one contingency if necessary. Now is the time, he declared, to be preparing for cash runs by keeping dividends to policyholders and stockholders down and possibly laying in a block of easily liquidated investments. Now is the time to be building a mortality contingency fund against the upsurge of mortality which may be ahead.

The guaranteed interest commitment

on the policy form should be kept low so that the company may not be under pressure to buy investments for their yield rather than for their security. The new mortality table which is part of the Guertin legislation, is loaded by a special formula presumably to provide a margin for the building of epidemic and war contingency funds. Hence, he said, companies should not assume that they may throw all the mortality savings of the new table into surplus or dividends.

#### Away from Investment Forms

The contingency problems are largely due to the investment element in the types of policy most commonly sold but now there are trends away from the large reserve building type of policy. He cited as examples the family income provision and income replacement insurance.

Mr. Hope suggested that there might

be a division in the funds of the company between contracts which are not subject to cash demands at the whim of policyholder or beneficiary and contracts which are subject to such demands.

The time for releasing contingency funds is likely to be all too obvious. The companies knew that it was time to release such funds during the influenza epidemic of 1918-19. They knew the desirability of liquidity to meet cash and loan demands of 1932. An interest maintenance fund will, of course, have to be drawn upon if interest falls below the guarantee.

A dividend contingency or maintenance fund should probably be built to keep the dividend on any particular policy from varying too much and especially to be released in the later duration of the policy when the contract has apparently made its contribution to the mortality fluctuation.

**Children  
will be your best  
prospect leads in '43**

**J**ohn Hancock studies show that up to four children, each child added to a family increases the life insurance a man carries by almost mathematical proportions. These fathers have the big job of preparing tomorrow's citizens

for the better world of tomorrow. Life insurance is a part of their job. Selling it to men with dependents is your job . . . a job that makes a real contribution to the Nation's well-being, now and in the future.

*John Hancock*  
MUTUAL  
**LIFE INSURANCE COMPANY**  
OF BOSTON, MASSACHUSETTS  
GUY W. COX, President

## Guertin Tells the Fraternalists to Meet Modern Demands

**Methods Should Be Revised  
to Square Themselves  
with Current Provisions**

At the semi-annual meeting of the Fraternal Actuarial Association at the Edgewater Beach Hotel, Chicago,



A. N. Guertin

one of the main features was an address by Actuary A. N. Guertin of the New Jersey department who was chairman of the committee of the insurance commissioners to recommend modern valuation and non-forfeiture laws. He said that 11 states had already passed legislation adopting the recommended bill. Other states, he said, have statutory provisions that will enable them to adopt the same measure without legislative enactment.

"There is considerably more uniformity in methods of operation and factors of experience among life companies than among fraternalists. Mr. Guertin said, "In the program for life companies it was possible to determine a formula, varied as to ordinary, industrial and group, which is reasonably representative of the pattern of policy accumulations characteristic of the business generally. It was the purpose of the committee to place the non-forfeiture benefits at a level such that the policyholders as a group would gain nothing from the lapse of the policy, nor would the owners reap any harvest of profits from lapses, and the lapsing policyholder would take nothing from the company which might be considered as being in excess of that which he had contributed to the assets as a policyholder. At the same time it was necessary to establish a floor which, in our opinion, represented the least amount which a discontinuing policyholder could have contributed to the funds of the company. Such a basic purpose should apply also to fraternalists."

### Uniform Fraternal Code

"The National Fraternal Congress has done much work in the attempt to devise a satisfactory uniform fraternal code. Existing laws are such that there is as much need for the revision of fraternal laws generally as for revision of the actuarial bases underlying rate, non-

forfeiture and reserve bases. In order to accomplish a thorough-going job the two should be undertaken together.

"The development of a suitable program for fraternalists might be a far more difficult matter than the development of the standard laws. Fraternalists must approach such a program with the complete acceptance of the fact that revision of the statutory actuarial bases would cause practically all of them to change their operations in a substantial way. They must have the willingness to do so at the outset, and they must be prepared for the possibility that, when the proposals made arrive in the legislative halls, they must forego their particular individual preferences and support legislation which, although it may not be 100% to their liking, is nevertheless substantially along sound lines and in the interest of the fraternalists as a whole and supervision generally.

"The proposal to modernize the fundamental actuarial basis on which the fraternalists operate involves no small undertaking. In my opinion, however, the existing codes need revision in more than this single element and I think it would be desirable that any such proposal be included as a part of a general modern uniform code which could be presented to the various states as a consistent whole. Such an undertaking is a formidable one. Nevertheless, it is one by which the interests of the members of the societies would be promoted. If the societies are to make substantial progress under existing modern conditions their methods must be made to conform to modern thinking."

### Actuary Macken's Views

Actuary D. D. Macken of the Woodmen of the World was on the program to discuss the Guertin committee report. He was not present but he sent his paper recommending the adoption of the plan so far as possible by fraternalists. He pointed out that the old surrender charge basis has been inequitable because at younger ages and for lower premium forms the percentage of such deductions is much higher in relation to the policy value than for the higher ages entire premium plans.

H. R. Taylor, consulting actuary, presented a paper on level gross premiums for junior certificates. Actuary J. E. Little of Maccabees led the discussions. J. E. Reault of Maccabees gave the report of the committee on education. Most of the fraternal actuaries remained over for the annual meeting of the American Institute of Actuaries held at the Edgewater Beach Hotel Thursday and Friday.

Irvin W. Smith, A. O. U. W. North Dakota, president, presided. M. L. Ridgeway of Equitable Reserve was secretary. Norton J. Williams, president of Equitable Reserve, president of the National Fraternal Congress, extended greetings.

### Booklet Commemorates C.O.F. 60th Year

A handsome souvenir booklet has been prepared by Catholic Order of Foresters in commemoration of its 60th anniversary. It contains much historical data relating to the early years of the society. There is a frontispiece reproduction of a letter from George Cardinal Mundelein, archbishop of Chicago, written May 21, 1924, expressing appreciation for the fine spirit of loyalty manifested by members of the society.

The brochure is handsomely illustrated, carrying out a color scheme of white and green with black type and has an embossed cover showing the great seal of the C.O.F. Several pages are devoted to reproductions of letters from Archbishop Samuel A. Stritch of Chicago and others of the Catholic hierarchy throughout the United States and Canada. The likeness of the high court trustees, of Thomas H. Cannon, high chief ranger; Thomas R. Heaney, high secretary, and other officers are presented.

### Still No Restriction on 5% of Salary for Premium

WASHINGTON—The revised salary stabilization regulations which have been expected from week to week are still pending and in spite of reports that they will specify a minimum number of employees if payment of life insurance premiums up to 5% of salary is not to be considered an increase, there is currently no ban on such arrangements even though the insurance covers only one individual. If the new regulations do provide for a minimum number or other restrictions it is not believed that policies sold under the present regulations would be affected.

### Mutual Benefit Conferences

Members of the general agents advisory committee of Mutual Benefit Life held a series of conferences with home office people for two days to discuss plans for the balance of the year.

### Progress of Guertin Measure

The Guertin model valuation and nonforfeiture bills are awaiting gubernatorial action in Missouri and California. A bill has passed one house in Illinois. It is now law in 11 states—

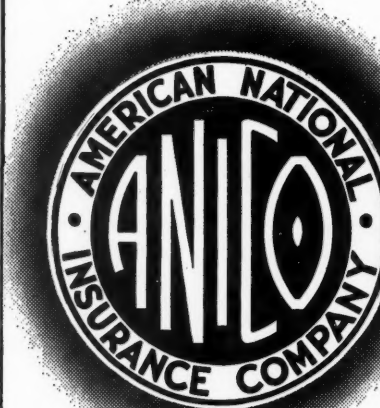
Maine, New Hampshire, Massachusetts, New Jersey, Delaware, Maryland, Indiana, Wisconsin, New Mexico and Nebraska. While the measure lost out in several states New York was the only state in which the bill was vetoed by the governor and that was only on the ground of lack of opportunity for adequate study.

### Bendiner Closing N. Y. Speaker

Irvin Bendiner, Philadelphia, was concluding speaker at the last of a series of lectures on war time selling sponsored by the New York City Life Underwriters Association. D. B. Fluegelman, Northwestern Mutual, course chairman, introduced Lester Einstein, Mutual Benefit, retiring president of the association, who spoke briefly.

### Nebraska State Meeting

The annual convention of the Nebraska Association of Life Underwriters will be held at Omaha Friday in charge of W. S. Hofigard, state president. Speakers are John O. Todd, Northwestern Mutual, Chicago; Harold J. Cummings, vice-president Minnesota Mutual; C. Petrus Peterson, chief counsel for Bankers Life of Nebraska, and Tom Collins, inspirational orator.



*Safe!*

**AMERICAN NATIONAL  
INSURANCE CO.  
GALVESTON, TEXAS  
W. L. MOODY, JR.,**

**PRESIDENT**



### PACIFIC COAST HOME OFFICE OPPORTUNITY

Company operating nationally now entering Group field has Home Office position for man with experience in Group field work.

In reply give age; family status; education; experience in Group, Salary Savings and Ordinary selling; Home Office experience (if any); Selective Service Classification and other pertinent information.

Address Box R-96

The National Underwriter  
175 W. Jackson Blvd., Chicago, Ill.

**EXCEPTIONAL PRESENT  
AND FUTURE OPPORTUNITY  
FOR RIGHT MAN**

## Woman Leader Tells Her Methods

Women are in a preferred position as prospects today, Mrs. Berenice Meistroff, Guardian Life, Kansas City, told the Women's Division of the Chicago Association of Life Underwriters at an afternoon tea gathering in a talk on "There's Fun in Selling." She emphasized that women agents can be quite sure of getting past a business man's secretary because they have the girl at a disadvantage. She never is certain when she may incur her boss's displeasure at turning away a personal feminine friend. Thus women agents are in exceptional position to make cold calls and get many fine prospects today.

"I am going in," Mrs. Meistroff said, she tells herself on such an occasion. "I shall have an intellectual advantage because I am on my own ground. A man can be expected to be more polite to me because I am a woman. I am conscious that I am bringing a service which he needs. He even may like me. Finally I tell myself, 'I am going in'."

Mrs. Meistroff finds in her own selling that her periods of no fun correspond with those of no selling. Therefore she makes a game of life insurance selling. She says if a woman chooses to meet dull people the responses to her canvass also will be dull. Mrs. Meistroff uses her social activities to get business. She believes in belonging to the right clubs and in going to the right places.

First she conducts a fact-finding interview. She urges not embarrassing the prospect. She depends on smoothness and efficiency in handling this step. Next it is necessary for her to find the solu-

tion to the prospect's problem and to get him to adopt the solution. She said it does not pay to evangelize in life insurance selling. She told a story of a prospect who was in the live stock business whom she visited at the yards. He took her through the odorous pens until she was almost faint but she smiled and pretended that she was liking it immensely.

When she had had enough punishment the man stopped and said he knew perfectly well she had come along to try to sell him some life insurance and would she please fix him up for what \$1,500 a year would buy. There was another case about which Mrs. Meistroff told of a woman prospect for whom she calculated a nice plan. When Mrs. Meistroff told her what was the premium cost the woman said, "That's funny. That's the number of my home address. I'll take the policy." Mrs. Meistroff says there is not always a great deal of logic about the buying of life insurance.

"It is fun to study and gain a feeling of professionalism," she said. "It is also fun to be successful in competition, to win out in the contest with the prospect."

Mrs. Meistroff is a life member of the Women's Quarter Million Dollar Round Table. She was introduced by L. S. Broadus, Chicago manager of Guardian Life. W. W. Grosser, Guardian Life general agent in Chicago, attended, as did W. V. Woody, agency manager in Chicago of Equitable Society with which President Hester Bone Phelan of the women's division is associated.

## North Carolina Record Is Traced for '42 and '41

RALEIGH, N. C.—The North Carolina department report reveals that new life insurance sales in the state last year totaled \$357,778,242 as compared with \$390,010,859 in 1941. Insurance terminated in 1942 totaled \$288,213,272 as compared with \$237,072,315 the previous year.

New ordinary totaled \$121,043,476 last year contrasted with \$148,928,276 in 1941. Terminations amounted to \$86,627,124 in 1942 and \$83,178,968 in 1941. Ordinary in force was \$1,190,723,339.

Industrial writings in 1942 totaled \$164,075,815 as compared with \$176,887,897. Terminations were \$129,464,729 in 1942 and \$117,509,140 in 1941. Industrial in force was \$496,041,437.

Group sales last year totaled \$72,658,951 as compared with \$64,194,686 the previous year and terminated insurance totaled \$72,131,419 as compared with \$35,767,207 in 1941. Insurance in force totaled \$198,001,487.

## Northern N. J. Supervisors Elect

H. L. Gunderdorff, Mutual Life, was elected president of the Life Supervisors Association of Northern New Jersey, succeeding Herbert Marshall, Jr., at the annual meeting in Newark. Other officers elected are: Vice-president, Henry A. Feustel, Provident Mutual; treasurer, Peter Castricum, Aetna Life; secretary, Roderick Bouchard, Home Life.

## Install New Officers in N. Y.

New officers of the New York City League of Life Insurance Women, headed by Lillian L. Joseph, Home Life, president, were installed at the last meeting of the season. Bertha M. Loheed, Fidelity Mutual, retiring president, reviewed activities.

John H. Weber, general agent in Denver for the Midwest Life of Lincoln Neb., took second place among all personal producers for the first quarter of 1943. The Denver agency was also in second place among agencies for the same period. Mr. Weber built the agency from scratch three years ago and is having his most successful year.

## Victory Gardens on Grounds of Massachusetts Mutual

In cooperation with the national effort to reduce the cost of living and to relieve threatened food shortages, Massachusetts Mutual Life has made available to home office employees approximately 75,000 square feet of its home office grounds for the planting of victory gardens. Individual plots of approximately 900 square feet have been assigned to each employee who has enrolled in the project. More than 90 are participating in the activity, including 39 women employees and eight officials.

While the garden plots have been plowed and treated through company facilities, each individual gardener will assume the entire care of his plot, although consultation with the company's experienced landscape experts is available at all times. Fertilizer, seed and equipment are furnished by the individual employee, but the company has arranged quantity purchase of fertilizer which will be distributed to the employees at cost.

The victory garden committee consists of R. R. Coombs, assistant to the president; B. T. Sornborger, superintendent of buildings, and R. N. Blomfield of the personnel department.

## Union Central Active in L. O. M. A.

The week of May 3, 14 members of the Union Central home office took 22 examinations conducted by the Life Office Management Association. Forty-one Union Central people hold certificates of the association, having passed the four elementary examinations. Fourteen have received diplomas for passing 10 examinations; three others, who have completed the advance examinations and written acceptable theses on office management work, have received a key signifying full fellowship.

## W. N. Watson Joins Mutual Benefit

Wallace N. Watson, who has been general agent for Connecticut Mutual in Boston, has been appointed manager of business insurance and estate planning in the Boston office of Mutual Benefit and will also act as a home office consultant on these questions.



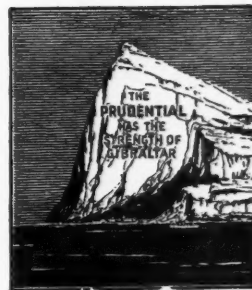
## Fathers Have Dreams, Too

All men worthy the name hope some day to point with justified pride to the attainments of a successful son or daughter.

It is a fine ambition, but it can never be realized by leaving it all to the vagaries of chance.

Fathers generally have long since learned that it is possible to assure a child's education by providing the funds through life insurance.

Tell the fathers in your community of this ideal arrangement.



**The Prudential**  
Insurance Company of America

Home Office, NEWARK, N. J.

## Seeks Return of Premium

(CONTINUED FROM PAGE 3)

inheritance or estate taxes. Of course he must have understood that the law at the time of his death would control. But what he wanted to know was whether under the law as it then was this policy was subject to inheritance or estate taxes. The alleged representations were directed to the law as it then was. When one considers the right to make contemplated disposals for dispositions of property to take effect at death he does so in the light of the then existing law.

### Statements of Sun Life

The statements of Sun Life as to taxability were representations as to matters of law, the court declared. While it is true that ordinarily statements relating to matters of law are not actionable there are certain exceptions to the rule. Some of these are where there is a trust relationship or where the speaker has or professes to have superior knowledge of the law, or where one relies on statements declaring the law made by one claiming to have superior knowledge thereof and is told that it is unnecessary to consult a lawyer.

A representation as to what the Internal Revenue Bureau had ruled was one of fact and not of law. At the time of this transaction neither the board of tax appeals nor any court had passed upon the precise questions. The decisions upon which Sun Life relies to sustain the truth of the representations as to the law were all subsequent to the date of the transaction and are, therefore, no aid to it in its contention that the representations made were true.

### Claims Question Is Moot

Sun Life also argued that the question has become moot because under the change in law, the proceeds from insurance contracts are now subject to tax collection and that Fawcett has not been injured by the alleged misrepresentation. The court disagreed with this contention saying that Fawcett sought an investment that was free from estate taxes. Relying upon Sun Life's representation in the matter he parted with \$44,000 which he would not have done otherwise.

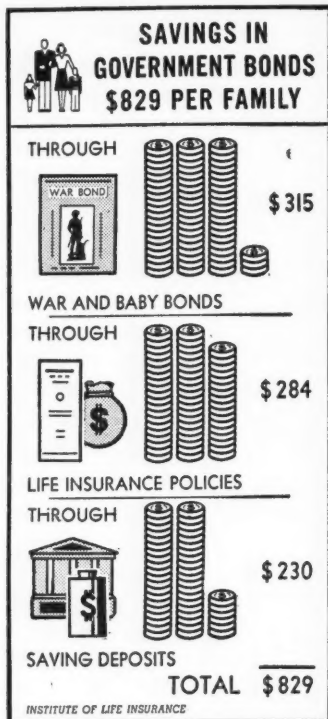
### Dissenting Opinion

Judge Bratton entered a dissenting opinion. He stated that the real gravamen of the cause of action in relation to the life insurance policy is that Sun Life stated and represented, either falsely or in reckless disregard of the facts, that the proceeds would be payable in full to the beneficiaries, free and clear of all federal and inheritance tax. The parties necessarily contemplated from the very outset that no amount, taxed or tax free, would be payable under the life policy until after the death of Fawcett and whether the proceeds would or will then be subject to federal estate or inheritance tax must depend upon the law in force at that time. It could not have been known at the time of the making of the statement alleged to constitute a material

## SALARIED SUPERVISOR NEEDED

in successful Chicago Agency of well known company headed by prominent life insurance man. Excellent opportunity awaits successful agent who desires to learn agency building and, through salary, increase income meanwhile. Give age and insurance experience.

Address R-99, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



representation. Neither can it be known now. The alleged misrepresentation did not relate to the existence or non-existence of the past or present facts but to a legal matter at a future time. Prophecies, forecasts, opinions or beliefs concerning future events or conditions will not support an action for fraud. In order to constitute actionable fraud, a false statement must be of a present or past fact.

Wilbur F. Denious, Hudson, Moore, Dayton Denious represented Fawcett and Winston S. Howard, Pershing Bosworth, Dick & Dawson were Sun Life attorneys.

## Pacific Coast Actuaries Hold Annual Gathering

(CONTINUED FROM PAGE 3)

up now against the time of need was pointed out.

R. B. Richardson, president of Western Life, gave a comprehensive talk on the long range view of the implications of life insurance in the post-war world.

The question of whether the companies are governed too much by the agent's immediate need to make a commission was brought up and was featured by an informal debate between Barrett W. Coates, consulting actuary, who discussed the subject from the company angle, and Mr. Cannon, who took the viewpoint of the agent.

Mr. Hann reported for the standing committee on policy forms, recommending forms to fit the government installment principle, and provisions to prevent indiscriminate option settlement selection by the payee.

The matter of the fall meeting was left for determination later.

F. R. Kerman, assistant to the president of Pacific Mutual Life, spoke at the dinner on the economic conditions of the day, treating his subject in lighter vein and with many satirical sallies.

## RECORDS

**North American Life & Casualty**—Reports an increase of 25% in written life business this year compared to 1942.

**John W. Yates**, California general agent Massachusetts Mutual Life, reports his Los Angeles and San Francisco offices for April wrote 319 applications on individual lives totaling \$2,090,000.

## Cites Sales Opportunities in T. D. 5231

Harry S. Redeker of the law department of Fidelity Mutual Life points out some of the sales opportunities that are created by the Treasury Department ruling 5231 of Feb. 22, specifically excluding from income taxation the proceeds of life insurance policies if they are made payable under options 2, 3 or 4 by reason of a mode of settlement selected by the insured during his lifetime. He observed that if the proceeds are retained under option 1, the interest payable each year appears to be fully taxable, whether the option is elected by the insured or by the beneficiary. If the income tax burden of the beneficiary is to be minimized it is important that the installment option be specified by the insured and that settlement be made under an installment option and not under option 1.

The ruling amends the regulations under prior income tax laws as well as under the present one, so that many beneficiaries will now be in a position to file tax refund claims. On personal income taxes an individual is permitted a period of three years from the date of filing his return in order to claim

refund of overpayment of tax. Accordingly many beneficiaries will be able to file refund claims for the calendar years 1940, 1941 and 1942.

As to the sales opportunities, Mr. Redeker points out that any prospect can be asked whether the proceeds of his present policy are payable in such manner as to minimize his beneficiary's income tax burden. Many policies are payable under the interest option. Tax-wise an installment option may now be a better arrangement.

### Rearrangement of Policies

Many assured have set aside a portion of their present insurance holdings to provide a lump sum at their death for estate settlement and death transfer tax purposes. Many of these policies contain settlement options on a much more attractive basis than could be purchased today. It may be pointed out to them that they could more profitably make the proceeds of those policies payable in installments to their beneficiaries, then purchase new policies, perhaps on a lower premium plan, to take care of estate settlement and taxes.

# Gained...

48.7%★

★ A & H PREMIUMS IN FORCE INCREASED 48.7% IN '42

## Occidental Life

OF CALIFORNIA

← V. H. JENKINS, Vice-President

Horace Greeley was right

## Opportunities for New Men in Life Insurance

(CONTINUED FROM PAGE 2)

ledger sheet showing how the funds create a plan of savings and a safe place for you to invest money?

Instead of your heirs receiving cash for your stock, would you be interested in seeing how the optional settlement clauses in a policy contract will provide them with a monthly income instead of dividends from the corporation?

Consideration will be given to savings in income taxes and estate taxes.

Would you be interested in having the plan provide a retirement income for you?

Your age.

Age of your associates.

Percentage of stock held by each.

Total value of corporation.

## "COLD" CONTACTS

As an illustration of how this visual business insurance presentation works, a new agent drove out on Long Island about a year ago and stopped at a filling station, where he got into conversation with one of the attendants. It developed that he and his brother owned the place. The agent pulled out the sheets and gave a set to each of the partners, asking them to read the questions over. The question reading, "Is a large percentage of earnings distributed through salaries and bonuses?" brought on quite a little discussion.

The result was a \$13,000 policy on each partner on the term plan. However, when the agent delivered the policies the brothers had changed their minds. They wanted it on the retirement income plan and paid the first annual premium in advance. A few months later they were taken into the army and to make sure the insurance would not lapse they paid three annual premiums in advance. Their sisters are now running the filling station on a salary and putting the profits into a savings account until enough is accumulated to pay further advance premiums.

## Middle Incomes Are Market

Mr. Gray feels that the big market today is among prospects making from \$2,500 to \$7,500. In spite of the fact that his agency is ahead of last year, for the year to date none of the agents' sales happen to be among war industries employees. Mr. Gray feels that these war plants might represent good markets but it has just happened that none of his agents have tapped them.

One of the few general agents now active who was also a general agent during the first world war, Mr. Gray is in an excellent position to make a comparison between this war and that of a generation ago. During the last war there was the same unsettling effect of the draft, lack of prospects both for life insurance sales and for recruiting, the higher cost of living, the obligation to buy government bonds, higher income taxes and general uncertainty.

Added to all that, however, there was the sickening blow of the government's sale of 40 billion of life insurance to the men of the armed forces. It was as much as all the insurance in force in all companies. Nobody foresaw that the government's action would lead to the great life insurance bull market. All they could think of was how impossible it would be to sell any more insurance to these men when they came out of the army and navy carrying more insurance than everybody else in the country combined.

## Nationalization Gossip

And as if that wasn't bad enough, the gossip all over the country was that the government was going to take over life insurance, so why go into a business which would soon be non-existent? With so great a volume of insurance on the armed forces it was regarded as inevitable that the government would

## IN U. S. WAR SERVICE

Lieut. Commander Charles J. Zimmerman, USNR, will lead a group of officers who have been attached to the staff of Admiral Nimitz, commander in chief of the Pacific fleet to supervise from their headquarters at Pearl Harbor, the war bond allotment campaign among naval officers and enlisted personnel in the Pacific area.

Included in the group is another former life insurance representative, Lieut. (j.g.) William J. Cohagan, who was associated with Prudential as mathematician from 1932-42.

While the civilian employee allotment campaign of the navy has been in full swing since September 1941, with about 90% of the employees allotting 15% of gross pay to purchase of war bonds, the campaign for the uniformed personnel is in its initial stages.

Lieut. Comm. Zimmerman was general agent for Connecticut Mutual Life at Chicago prior to entering the service last July. He is a past president of the National Association of Life Underwriters. He has been district coordinator for war saving bonds in the first naval district, with headquarters at Boston.

Horace Mecklem, Jr., son of the Portland, Ore., manager of New England Mutual Life, has been commissioned a second lieutenant in the infantry at Ft. Benning, Ga. He was formerly manager of the Medford, Ore., agency of New England Mutual.

Miss Evelyn L. Perry, former underwriter in the group department of Travelers, has been promoted to lieutenant in the WAAC. She is stationed at Nacogdoches, Tex., as a company commander.

Lt. Edwin L. Baxley, formerly with Penn Mutual in Little Rock has been reported missing in action after the Flying Fortress of which he was pilot failed to return from a mission over Europe. He had received the Air Medal and the Oak Leaf Cluster for gallantry in action.

Maurice Coulson, a leading producer for Penn Mutual with the Paul Jernigan agency, Wichita, now with the army air corps at Mather Field, Cal., has been advanced from captain to major.

Eleven members of the H. Folmer Hansen agency of Mutual Life at Fargo, N. D., are in the armed services and Mr. Hansen's three sons are in the service, they being H. F. R. Hansen, 3/c, c/o Fleet Postmaster, San Francisco; Lt. (j.g.) A. B. Hansen, c/o Postmaster, New York City, and Aviation Cadet D. R. Hansen, Corpus Christi, Tex.

Lieut. (j.g.) A. W. Olson, who was formerly agency organizer, has just returned from North Africa.

Lieut. Olson remarks that when the Nazis left Africa they took everything with them—food, clothes, wine, etc. When the Americans moved in, they brought plenty of money, which accounts for the topsy-turvy economic situation and is an example of how scarcity of goods and plenty of money makes for ruinous inflation unless people are vigilant and well informed.

take over the rest of the industry. The effect of this gossip on recruiting can be imagined.

On the favorable side of today's picture there is also the fact that laws are much more advantageous to the policyholder than during the last war, notably in respect to protecting proceeds and cash values from action by creditors, while the public is unquestionably better sold on life insurance than it was in 1917.

Dwight L. Brouhard, manager of Metropolitan Life, will address the Wichita General Agents & Managers Association at the final meeting of the year.

Be sure to specify the Little Gem Life Chart, when asking your home office for a new up-to-date reference book.



## A NEW POLICY designed specifically for INCOME REPLACEMENT

A low-cost, long-term income policy

## Ideal for

**Social Security** — to provide a widow with a definite income to age 65.

**Programming** — to fill the gap in a program where income at low cost is needed over a long period.

**Mortgage** — to provide an especially attractive low cost mortgage cancellation plan.

## Features

Convertible • Waiver of premium can be included  
• Income on 60 months certain basis • Commuted values optional • \$20 per month minimum unit.

"Designed to Help the Salesman Sell"

**The Connecticut Mutual**  
LIFE INSURANCE COMPANY Hartford

## New Statement Form Wins Acclaim

(CONTINUED FROM PAGE 1)

The asset items in the proposed form consist of real estate, with an entry for property occupied by the company and another for property acquired in satisfaction of debt the latter being divided further as between that which is not under contract of sale and that which is under contract of sale; mortgage loans, collateral loans, bonds, stocks, cash and bank deposits, furniture and equipment, policy loans, premiums and annuity considerations due or deferred less . . . provision for cost of collection; interest, dividends and rents due or accrued less received in advance.

The items in the statement of liabilities on Page 3 include: Aggregate reserve for policies and contracts; policy and contract claims; premiums and annuity considerations received in advance; supplementary contracts; policy dividends on deposit; policy dividends due and unpaid; provision for dividends due and unpaid under which are these subheadings: Annual, apportioned for payment to . . . not yet apportioned, deferred dividends; amount provisionally held for deferred dividend policies; policy and contract liabilities not included elsewhere under which are these subheadings: Surrender values on canceled policies, and others; insurance expenses accrued with these subheadings: commissions, rent, salaries, legal, medical, inspection reports, and other; investment expenses accrued and taxes under which are subheadings for entering insurance taxes and investment taxes. Then there are several blank items, there is one captioned miscellaneous liabilities, then accident and health liabilities, then assigned surplus funds (contemplating reserves for security fluctuation, special reserves, etc.), capital and unassigned surplus funds.

On page 4, the income and charges against income figures are put on an accrued basis rather than on a cash basis, which would make them conform to the gain and loss exhibit.

The income items include: Premiums, supplementary contracts without life contingency; net investment income, capital gain and loss.

### Disbursements Shown

The items under charges against income are: Death benefits, matured endowments, annuity benefits, surrender benefits, disability benefits, interest on supplementary contracts, interest on other contract forms; payment on sup-

plementary contracts with life contingency; increase in aggregate reserves; funds withheld or retained by company as agent (contemplating such things as Victory tax, war bond payroll deductions), etc.; amount held for agents; remittances and items not allocated; amounts paid or added to reserves; commissions, general insurance expense; taxes, etc.; increase in provision for cost of collection of due and deferred premiums; increase in miscellaneous liabilities, dividend to policyholders, increase in amount provisionally held for deferred dividend policies.

### Surplus Account

Then comes the surplus account which shows the surplus at the beginning of the year and the changes during the year and the surplus as of statement date.

The proposed exhibits to support the entries on pages 2, 3 and 4 include investment income, capital gain and loss on investments, general expenses, taxes, licenses and fees; analysis of gain and loss by lines of business, aggregate reserves for policies and contracts; dividends to policyholders and policy and contract claims.

Then appears a working sheet to arrive at the earned premium income and there is a similar working sheet for investment income.

Finally are the investment schedules, similar to those in the present form. While the committee recommends some minor changes in connection with these, they would stand about as at present.

Mr. Batho in commenting upon the new statement said that the proposed elimination of the division between ledger and non-ledger assets is based on the theory that such distinction is only a matter of bookkeeping and is meaningless unless the reader is familiar with the manner in which a company's books are kept. This change does away with the balance which is now present between ledger assets and the income and disbursement pages of the statement. The committee believes that while this balance may have had value at one time as a check on the company's accounting it is no longer necessary.

In proposing to do away with the distinction between book and admitted value of assets the committee believes that the division is only a matter of accounting and meaningless to most per-

sons. The instructions require that any contingency reserves specifically held in connection with individual assets be deducted in arriving at the asset value at which they are entered. This results in considerable simplification of the statement of assets, in that there is shown for each class of assets only one item.

### General Expense Exhibit

He points out that in the liability page the schedules of policy reserves and policy claims is transferred to a separate exhibit which would support the respective liabilities. The proposed exhibit of general expenses differs radically from the present statement. There is a considerable revision in the items of expenses that are shown. The exhibit contains three columns for insurance expenses, investment expenses and total expenses respectively. The expense accounts listed are in somewhat greater detail. The committee believes that with three exceptions all expenses should be classified according to the primary nature of the service rendered or article purchased rather than according to the ultimate purpose of service or material in the company's operations. For example, it is proposed that all salaries be included in the expense item entitled "salaries" without regard to whether these are salaries of the legal department, investment department, branch office managers or otherwise. Likewise the item of rent is to include not only home office but branch office rent and in fact rent paid by the company for any purpose. Also legal fees should include all legal fees whether in connection with settlement of claims, handling of investments or for any other purpose.

In connection with the meals item all expenses of a company cafeteria or commissary would be included whether for salaries, rent or what not with the single exception of social security taxes. Similarly in connection with a company owned printing establishment all expenses are to be included with the exception of social security taxes. In the item "Real Estate Expenses" all expenses exclusively related to the handling of real estate, including home office salaries of persons devoting their entire time on real estate work as well as salaries and expenses of employees engaged in real estate maintenance or repair work including those for a company owned home office, should be included. There is also the exception here of social security taxes.

### Gain and Loss Exhibit

The proposed gain and loss exhibit is quite similar to the first part of the present gain and loss exhibit. There are two additional columns, however, one

representing a total for the life disability and double indemnity benefits of ordinary policies and the second headed "General" and designed for use in showing interest ascribed to capital and surplus funds of stock companies and not necessarily assignable to any particular line of insurance.

In the schedule of policy reserves, separate columns are shown for ordinary, individual annuities, group, group annuities and industrial. Reserves are to be listed according to the mortality table, interest rate and reserve basis and are included for life insurance annuities including supplementary contracts with life contingencies, accidental death benefits, disability both on active and disabled lives and any miscellaneous reserves, such as for premium differences, non-deduction of deferred premiums at death, etc.

## CONTRACT CLAIMS

In the exhibit of dividends to policyholders, the dividends paid or applied during the year are converted to an incurred basis by adjusting them for an increase or decrease in the dividend liability.

The exhibit, "Policy and Contract



★ TD5321 OFFERS A MOST SIGNIFICANT OPPORTUNITY FOR SERVICE.

\*\*\*

THE ISSUE IS CLEARLY DRAWN. When the insured selects the mode of settlement, the payments are free from income tax regardless of the amounts involved. The interest only option is taxable regardless of who elects the option.

\*\*\*

ONE NEED NOT BE A TAX EXPERT to see the tremendous effects of TD5321. Even in the case of smaller amounts, say \$10,000 or \$15,000, the total of income taxes over the entire period of distribution is certain to be a sizeable sum. For larger estates, the savings are more than sizeable.

\*\*\*

IF YOU HAVE SOUGHT an opportunity to translate the service concept into action, TD5321 opens the way. Your policyholder will appreciate your counsel, and no underwriter has too many appreciative policyholders.

\*\*\*

IF YOU WOULD LIKE A COPY OF TD5321, we'll be glad to send it with our compliments.



PAUL SPEICHER  
Managing Editor

THE INSURANCE  
RESEARCH & REVIEW SERVICE  
INDIANAPOLIS

# THE MANUFACTURERS LIFE

## COMPLETE BROKERAGE FACILITIES

All Life, Endowment and Annuity Plans.  
Favorable Par. and Non-par. rates.  
Standard and Sub-standard risks.  
Facilities for handling large cases.  
Civilian Foreign Travel Coverage.  
Annuities — Single Premiums up to \$100,000.  
Prompt and Efficient Service.

INSURANCE IN FORCE, 672 MILLION DOLLARS  
(Including Deferred Annuities)  
ASSETS, 221 MILLION DOLLARS

INSURANCE COMPANY  
HEAD OFFICE  
TORONTO, CANADA  
Established 1887

Claims," is expanded to show specially claims for ordinary insurance, group and industrial.

Pages 9 and 10 of the statement contain working sheets for arriving at premium and investment income on an incurred basis. The premiums are split to correspond with the columns in the gain and loss exhibit, while investment income is segregated according to the class of assets producing the income. Asset schedules are not set out as yet except for a suggested Schedule B, Part I, which in addition to the information now required, gives a place to adjust any unpaid mortgage balances and any interest due or accrued from the total figures to the assets figure for which credit is being taken.

## Commissioners' Program Perfected

(CONTINUED FROM PAGE 1)

held in Faneuil Hall. The afternoon will be given over to a choice of the Suffolk Downs races, Red Sox baseball game, steamer trip down the harbor to Nantasket Beach and other offerings.

### Sunday, June 6

3:30 p. m.—Parlor A—executive committee.

### Monday, June 7

9 a. m.—Parlor A—War damage reserves. Requested by Harrington, Massachusetts.

10 a. m.—Parlor C—Sub-committee on accident and health. Requested by McCormack, Tennessee.

11 a. m.—Georgian Room—Full session of the association.

Invocation—Right Rev. R. P. Barry. Solo by Mrs. J. Herbert Graves.

Roll call.

Welcome to Massachusetts. Horace T. Cahill, lieutenant governor.

Response by Commissioner Gontrum, Maryland, chairman executive committee.

Welcome to Boston. Mayor Maurice J. Tobin.

Response by Commissioner Johnson, Minnesota.

Presidential address—Commissioner Williams, Mississippi.

Introduction of new commissioners.

Report of the secretary, Commissioner Read, Oklahoma.

1 p. m.—Main ballroom—Luncheon.

2:30 p. m.—Parlor C—Committee on uniform countersignature laws. Requested by Harrington, Massachusetts.

3:30 p. m.—Parlor A—Examinations committee. Requested by Read, Oklahoma.

4:30 p. m.—Parlor D—Sub-committee on real estate appraisal forms. Requested by Harrington, Massachusetts.

5 p. m.—Parlor D—Sub-committee on industrial life insurance to consider uniform legislation relative to industrial life insurance. Requested by Harrington, Massachusetts.

6 p. m.—Parlor A—Meeting of zone one. Requested by Blackall, Connecticut.

Tuesday, June 8

9 a. m.—Parlor A—Sub-committee on taxation. Requested by Thompson, Oregon.

10 a. m.—Parlor C—Sub-committee on accident and health. Approval of policy forms. Requested by McCormack, Tennessee.

11 a. m.—Georgian room—Full session of the association.

Greetings—Benjamin B. Priest, senate chairman; John H. Valentine, house chairman, committee on insurance, Massachusetts legislature.

Proposed amendment to constitution.

Reports of committees.

Other business.

12 noon—Georgian room—Executive session of the association.

Afternoon Program

2 p. m.—Parlor C—Laws and legislation committee. The Guertin bill and unauthorized insurance bill. Requested by Fraizer, Nebraska, and Perkins, Maine.

2 p. m.—Parlor A—Sub-committee on blanks to consider the revision of Schedule P. Requested by Cleary, actuary, Massachusetts.

3 p. m.—Parlor D—Valuations committee. Requested by Cullen, New York.

4 p. m.—Parlor A—Workmen's com-

## Bennett in St. Louis Post for Reliance



R. H. Bennett

R. H. Bennett has been appointed manager at St. Louis of the midwestern department of Reliance Life, taking the place of Frank Vesser who becomes superintendent of agents of General American Life. He was appointed assistant manager of the midwestern department last December. He is a native of St. Louis, attended Washington University and has been very active in athletics in that community, life underwriting work and civic affairs. He had been in the life insurance business for 12 years with Metropolitan Life prior to joining Reliance, and has had rather wide experience in organization work. He earned his C. L. U. degree in 1941.

pensation committee. Requested by Duel, Wisconsin. (1) The Consideration of the Contingency Factor. (2) The Consideration of continuing the present procedure in establishing rates.

5 p. m.—Parlor C—Interstate rating committee. Requested by Cullen, New York.

7 p. m.—Main ballroom—Informal dinner.

Addresses by Governor Saltonstall; John Sharp Williams, III, president of the association; E. C. Stone, U. S. manager Employers' Liability; Guy W. Cox, president John Hancock Mutual Life; Marshall B. Dalton, president Boston Manufacturers Mutual Fire and Mutual Boiler.

### Wednesday, June 9

9 a. m.—Parlor A—Fire prevention committee. Requested by Gontrum, Maryland.

11 a. m.—Faneuil hall—Final session of the association.

Reports of committees.

Election of officers.

### Schwab Indianapolis Life Leader

Julian W. Schwab of Indianapolis is president of Indianapolis Life's Counselors Club. Mr. Schwab led in new annual paid business for the year ending in April. He is a life member of the Million Dollar Round Table, a charter member of his company's honor roll and has secured an application a week for 15 consecutive years.

### Thirty Years for Archie Hurst

On June 1, Archie V. Hurst, manager of the Eau Claire, Wis., district for National Guardian Life, completed 30 years of service with that company.

He made up his mind to go into life insurance work while he was employed in the circulation department of the Omaha "Bee." To finance himself he put in 20 acres of potatoes on some rented land near Chetek, Wis., the home of his parents, and while he entered into a contract for an agency at Eau Claire, he spent the first six months at Chetek growing, harvesting and marketing his potatoes and writing insurance as he found a little spare time.

On June 1, 1914, he opened an office at Eau Claire and still has his potato money. He quickly developed a leading agency for the young company and his was the first of the agencies to have a million of production in one year.

Two of the very substantial agencies are headed by men who have had insurance training under Mr. Hurst. Through the years he has given generously of his time to public service, and particularly the past two years when he served as a member of the draft-board of Eau Claire county.

From the beginning, Mr. Hurst has insisted on maintaining a reasonable personal production and his total is \$5,000,000 in round numbers with a persistency record of 90% or better.



## SERVICE TO THE INDIVIDUAL

"Life goes on with its problems war or no war, but the problems are accentuated in wartime."

### During 1942 the Canada Life

paid out to policyholders, annuitants and beneficiaries an average of almost

\$80,000 every working day . . . or a total of

\$24,200,000 during the year.

### Since 1847 . . .

This Company has paid to policyholders, annuitants and beneficiaries, or accumulated on their behalf, more than \$800,000,000 . . . over \$75,000,000 more than it has received in premiums.

**The Canada Life**  
ASSURANCE COMPANY  
*Established 1847*  
Head Office: Toronto, Canada

## EDITORIAL COMMENT

### The Simon-Rutherford Debate

Leon Gilbert Simon's proposal that an agent's license should qualify him to write for all companies and the rebuttal by Executive Vice-president J. E. Rutherford of the National Association of Life Underwriters illustrate the manner in which sharply conflicting points of view can operate for the best interest of the life insurance business and policyholders in general. Regardless of the merits of Mr. Simon's suggestion that this whole question should be discussed at conferences, the process of evolution tends to bring about the same final result, more slowly perhaps, but even more certainly.

To a very great extent the system advocated by Mr. Simon already prevails in those centers and among those agents who do the type of business necessitating a high degree of selectivity in choosing between one company and another. It is true that some companies do not accord the same favored status to a broker or an agent of another company as to their own full time men but it is difficult to see how the all-company license advocated by Mr. Simon would alter this, for the final acceptance or rejection of an application would still rest with the home office.

The fact that there are agents like Mr. Simon who study the policies of a large number of companies before deciding which one best fits the particular situation of a given buyer undoubtedly helps to keep the companies more on their toes to see that other companies do not get too much of a competitive edge. This competitive process would take place anyway, though perhaps less quickly, as any company which fell too far behind the procession in keeping its policies and practices up to date would have trouble in getting and retaining good agents.

On the other hand, the system under which the great majority of agents op-

erate, that is, selling their own company and resorting to some other only in the exceptional case, undoubtedly results in a vast amount of prospects being sold who would not otherwise buy insurance. The average agent selling average policies to average prospects hasn't the time to make a detailed study of all the policies offered by all the companies. For such agents and for such buyers it is undoubtedly more important that they sell and buy reasonably good insurance rather than making each sale the pinnacle of perfection as far as suitability of policy to buyer is concerned and thereby selling considerably less protection.

It appears to be largely a matter of economics and economic laws seem to have a way of working themselves out regardless of what human beings may attempt to do about them. It would seem that Mr. Simon's proposal will get just as far as it is economically sound for it to get and that while a change in the law might be good advertising for it such change would have little effect on its long-run progress.

In this connection there is to be considered, as Mr. Rutherford pointed out, the apparent trend toward more of an employer-employee relationship between company and agent. Yet there appears to be no reason why even the most far-reaching changes, such as salary plus incentive pay plans, would have to rule out agents such as Mr. Simon and other big producers who are on a completely independent basis and know enough about the market to be able to choose intelligently between one company's policy and another's in what appears to be the best interest of their clients. There seems to be plenty of room for both systems, each serving, in the main, a different type of clientele to the greatest advantage of each type. All have been interested in the discussion.

that is bothering him. But he does reach some kind of a solution. He worries about his work. It makes him nervous until it is done and done properly. That is probably one of the principal reasons for his success.

### Politicalistics and Econometrics

We are fascinated by the announcement of the program for the annual dinner of the Controllers Congress in Chicago wherein it is stated that the principal speaker will be Dr. Charles F. Roos, president of the Econometrics Institute.

Does this announcement mean that the economist is now obsolete and that his place has been taken by the econometric and that they are now teaching in the colleges, instead of the old-fashioned politics and economics, politicalistics and econometrics?

## PERSONAL SIDE OF THE BUSINESS

**Raymond F. Low**, president of American Reserve Life, was reelected a member of the national executive board of the Boy Scouts of America at the meeting in New York.

Vice-president **George S. Van Schaick** of New York Life, former New York insurance superintendent, has been notified that his brother and sister-in-law, Col. and Mrs. L. J. Van Schaick are being held prisoners by the Japanese in the Philippine Islands. Col. Van Schaick is a retired army officer and has lived in the Philippines for many years.

Vice-president **V. H. Jenkins** of Occidental Life of California is on a business tour of Canadian agencies. He is accompanied by Division Manager J. W. Miller and W. L. Miller, Canadian general manager.

**Frank Neu**, general agent at Green Bay, Wis., of National Guardian Life, is observing his 25th anniversary with the company. He started as a part-time agent while teaching school at Eau Claire, Wis., and took over the Green Bay agency 15 years ago.

**John S. Logan**, former attorney for the Nebraska insurance department, has resigned as U. S. commissioner at Lincoln, and has been named as librarian and attendant in the federal court there.

**W. F. Poorman**, vice-president of Central Life of Iowa and **W. H. Zaiser**, Prudential, appeared on a program over radio station WHO of Des Moines, sponsored by the Iowa Bar Association and consisting of a round-table discussion on "The effect of the war on life insurance." The discussion included inflation, the Guertin report, the TNEC investigation and the Beveridge plan.

**Philip C. Baker**, Cincinnati manager of Phoenix Mutual Life has been elected president of the chapter there of American Business Men's Clubs.

**Miss Florence E. Lorf**, leading woman agent of Penn Mutual for 1942, has just completed a 5,000-mile trip, visiting three company regional conferences where she was a featured speaker. Miss Lorf is associated with the Bill A. Schauer Agency, Detroit. Miss Lorf spoke on "The Woman's Angle" at Kansas City, Chicago and Philadelphia.

**E. A. Roberts**, who recently became president of Fidelity Mutual Life, was elected president of the Community Chests and Councils, Inc., the national

association of community and war chest campaigns held in cities throughout the country at the annual meeting in New York City. In April Mr. Roberts was elected a member of the board of the United War Chest of Philadelphia.

**Mrs. Mildred Rathbone**, manager Honolulu branch of Occidental Life of California, who has been visiting at the home office in Los Angeles, is returning home.

## DEATHS

**Benjamin E. Neff**, 29, Springfield, Ill., attorney, who was formerly connected with the Illinois insurance department in a legal and legislative capacity, died of a kidney ailment in University Hospital at Iowa City. From 1937 until 1942 he was legislative representative and legal counsel in the insurance department. He had been handling the filing of forms and doing other work for insurance companies, mainly casually. Last year he opened a law office in Springfield. Prior to going with the insurance department he was with a law firm at Rock Island, Ill. He was a graduate of the University of Illinois law school.

**Arthur H. Ortmeyer**, 58, an agent of National Life of Vermont in Indianapolis, who was well known as a humorist and writer of humorous verse, including a volume of couplets entitled "Life Lines of Wit and Humor in Epigram," died there. Burial was at Evansville, Ind., his former home. His book of verse was translated into Braille when Mr. Ortmeyer learned that most books for the blind were serious works and that little entertaining reading was available to them. He had appeared several times on the CBS Hobby Lobby. He was district agent of Northwestern Mutual Life in Evansville for a number of years.

**Lieut. James P. Matthews**, 45, since 1934 general agent of Indianapolis Life at Dallas and previous to that from 1919 associated with his father as general agent for the same company under the firm name of S. Y. Matthews & Son, was killed in the crash of an army airplane in Arizona.

**Walter G. Shaffer**, 75, with the Metropolitan Life and Life & Casualty in Nashville for 35 years, died after a brief illness.

### Worrying Has Some Value

A speaker the other day commented that the war is teaching people how to work again. Nowadays there is more work on every hand to be done and there are fewer persons to do it. This is good for us, he said.

No one ever learned how to solve problems if he didn't have any and he certainly can't do a big job unless he has one. Today almost everyone has a bigger job to do than he had before, and is learning how to do it.

In the insurance business and elsewhere it is undoubtedly an excellent thing when people have to do a little worrying. After all, worry is nothing more than anxiety about a problem until it is solved.

A successful insurance man said that he worries a great deal about his work. Problems stay on his mind until they are solved, and there are times when he can't sleep at night until he has found an answer to some question or situation

## THE NATIONAL UNDERWRITER



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704.  
EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.  
BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burrage, Vice-President and Secretary. John Z. Herschede, Treasurer. W. A. Scanlon, G. C. Roeding, O. E. Schwartz, Associate Managers.

**NEW YORK OFFICE**—123 William St. Tel. Beekman 3-3953. Editorial Dept.—R. B. Mitchell, Eastern Editor; George E. Wohlgenuth, Assistant Editor; Dorothy B. Paul, Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

**CINCINNATI OFFICE**—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

**BOSTON OFFICE**—944 Park Square Bldg., Telephone Hubbard 8696. R. E. Richman, Vice-President.

**DALLAS OFFICE**—526 Wilson Bldg., Tel. Riverside 3383. Fred B. Humphrey, Resident Manager.

**DES MOINES OFFICE**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

**DETROIT OFFICE**—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

**MINNEAPOLIS OFFICE**—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

**PHILADELPHIA OFFICE**—1127-123 S. Broad Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

**ATLANTA OFFICE**—560 Trust Company of Georgia Bldg., Tel. Walnut 5867. E. E. Hess, Resident Manager.

**SAN FRANCISCO OFFICE**—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$3.50 a year (Canada \$4.50). Single Copies, 20 cents. In Combination with The National Underwriter Fire and Casualty, \$6.50 a year (Canada \$9.00). Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

## AMONG COMPANY MEN

### Vesser to High Agency Post with General American

Frank Vesser, prominent St. Louis agency executive and a leading figure in association activities, has been appointed superintendent of agencies for General American Life. He will be associated with Jack T. Lynn, agency vice-president.

Mr. Vesser attended Missouri Uni-



FRANK VESSER

versity, working his way through college by selling life insurance. In 1920 he became an agent in his home town, Columbia, moving to St. Louis in 1923, entering the cashier's office of New York Life. After 11 months in that capacity he established a good record as an agency organizer.

During his 12 years, managing the St. Louis office of Reliance Life, Mr. Vesser achieved recognition as an

agency builder. Starting from scratch he built one of the leading agencies in St. Louis, and several years ago his territory was expanded to form the midwestern department, comprising several states.

Mr. Vesser is president of the Missouri Life Underwriters Association, and a former president of the St. Louis General Agents & Managers Association, 1938-1939, and of the St. Louis Life Underwriters Association, 1938-1939. During the 1939 N.A.L.U. convention in St. Louis, Mr. Vesser was a member of the executive committee in charge of arrangements. From 1939 to 1941 he served as national committeeman from St. Louis for the N.A.L.U. He is a graduate of the Sales Research Bureau school of agency management.

### Hunt Named Economist by John Hancock

Bishop C. Hunt has been appointed economist by John Hancock Mutual Life. He recently

has been associated with the committee on fiscal policy of the National Bureau of Economic Research and previously was associated for five years with Price, Waterhouse & Co., New York, as economist. Mr. Hunt, a native of Bridgeport, Conn., was graduated from Boston University in 1920,

received his master's degree from the graduate school of arts and sciences of Harvard in 1926 and his Ph.D. in economics in 1930. He attended the London School of Economics of the University of London in 1928-29.

He was appointed in 1920 W. A. Black professor of commerce and head of the department of business administration at Dalhousie University, Canada, which post he held for eight years. While at Dalhousie, he organized and developed one of the first schools of business ad-



B. C. Hunt

ministration to be established in a leading Canadian university. He was faculty instructor and tutor in economics at Harvard 1930-35, a member of the staff of the Institute of Politics, Williamstown, in 1930, and served with the President's committee on social trends 1930-31.

He is the author of "The Development of the Business Corporation in England" and other works.

### J. J. Gallagher, Northwestern Mutual Veteran, Retires

John J. Gallagher, supervisor of disability claim and mortality statistics in the medical department of the Northwestern Mutual Life, is retiring after 54 years of association with the department in the home office. Mr. Gallagher has served under all three medical directors of the company, starting as an office boy during the regime of Dr. Louis McKnight, the company's first medical director, in 1889. He also served when the late Dr. J. W. Fisher was medical director and more recently under Dr. D. E. W. Wenstrand. He is the oldest employee of Northwestern Mutual in point of service except Percy H. Evans, vice-president and actuary.

During the years Mr. Gallagher compiled records for the medico-actuarial mortality investigation, which aided in developing a new mortality table; was an underwriter in the medical department to review applications with respect to acceptance of risks, and was in charge of handling the medical feature of selection of risk review work after the company adopted disability

### Joins N. E. Mutual



E. M. HUNT

E. M. Hunt, for nine years manager of publicity and field service of Mutual Life of New York, has joined the advertising department of New England Mutual in Boston.

A veteran in the New York advertising field, Mr. Hunt was associated with the Batten, Barton, Durstine & Osborn agency there and with the advertising staff of "Time" before entering insurance.

waiver of premium agreements. Having reached the retirement age of 70,

• From our advertisement in the Saturday Evening Post •

## An Unexpected Legacy

A farmer in Kentucky failed to pay the sixth annual premium on his policy, but, according to the terms of the policy, the insurance was continued for a period of nearly seven years.

After the insurance expired, the farmer died . . .

If the policy had been issued on a *later form* the insurance would have continued beyond the date of his death. Following our established practice of applying the more liberal provisions of *new policies to old policies*, whenever practical, the Company paid the insurance to the surprise and gratification of the widow, *who thought the policy was worthless.*

Perhaps that may help to show you the kind of Company we are.



HOME OFFICE

NEWARK, N. J.

**THE MUTUAL BENEFIT LIFE  
INSURANCE COMPANY**

## STATE AGENT WANTED IN ARIZONA

If you did not earn \$6,000 or more last year, and feel that you have the ability to earn such money in the proper environment and with the right company, inquire about this attractive state agency franchise now available in the State of Arizona.

All communications will be held strictly confidential.

**THE FRANKLIN LIFE  
INSURANCE COMPANY**

Springfield, Illinois

Chas. E. Becker, President

Insurance in Force Exceeds \$234,000,000.00

One of the 15 oldest Stock Legal Reserve Life Companies  
in America

Mr. Gallagher is retiring from active business to enjoy well earned leisure.

### Great States Life Will Absorb L. B. Martin's Work

Great States Life of Bloomington, Ill., will not for the time fill the place occupied by Secretary L. B. Martin, who has gone with International of Arizona. President R. F. Dunn and Superintendent of Agencies W. J. Colton have taken over the duties. They are using Mr. Bourscheidt of Peoria, Ill., as consulting actuary and for other expert service. The business so far this year is ahead of the same period last year. The company will follow the general policy that it has mapped out and will not endeavor to pursue any other than a conservative agency development program.

### Josephs Is Now President of Teachers Ins. & Annuity

Henry James, president and board chairman of Teachers Insurance & Annuity since 1932, has resigned to devote a part of his time to other activities. Mr. James will remain as chairman of the board of trustees.

Devereux C. Josephs, who joined the association in 1939 as financial vice-president in charge of its investment work, has been named president. Mr. Josephs graduated from Harvard University in 1915. From then until 1939, except during the period of the last war, he was engaged in the investment banking business in Philadelphia. He devotes part of his time to the investment work of three of the Carnegie foundations.

### Henry Brodnax Heads Universal

Following the recent death of Whitaker Brodnax, president of Universal Life & Accident of Dallas, his son, Henry Brodnax, who joined the com-

pany as an agent in 1932 and became treasurer in 1937, has been elected president.

Harold F. Boss, who started on a debit in Oak Cliff (Dallas) in 1934 and became San Antonio manager in 1935, has been elected vice-president. He is a son-in-law of Mr. Brodnax.

Mutual Savings Life has been approved for admittance to Iowa.

## AGENCY CHANGES

### Rowley to Boston for Penn Mutual

Norman W. Rowley has been appointed general agent in Boston for the Penn Mutual Life, succeeding Henry W. Faser, Jr., who is a lieutenant in the naval reserve on active duty. By mutual agreement Mr. Faser has relinquished his agency responsibilities, at least until completion of his naval service.

Norman W. Rowley has been with Penn Mutual since 1913. He was originally in the home office underwriting department at Philadelphia. After military service during World War I he began selling. In 1931 he was appointed a unit manager of the home office agency, where he worked with Mr. Faser, who later became general agent at Boston. Mr. Rowley has been manager in charge of the Boston agency since April, 1942.

### Boyd Cook Now Associate in Quinby Agency

Columbian National Life has appointed Boyd L. Cook as associate general agent of the Thayer Quinby agency in Boston. Mr. Cook started with Travelers in 1925 as field assistant and in 1926 was promoted to assistant manager, becoming manager in 1927. In 1930 he went with Aetna Life as an agent, two years later became supervisor, in 1934 was made assistant general agent and for the last eight years was manager of the brokerage department.

Mr. Cook is past president Boston Life Supervisors Club and is a director of the Boston Life Underwriters Association.

The Quinby agency started from scratch in 1934 and since 1937 has

### Am. Mutual Makes K. C., Chicago Appointments

M. J. Law has been named as a second general agent in Chicago and



M. J. Law



J. F. Fogarty

John F. Fogarty has been appointed general agent in Kansas City for American Mutual Life.

Mr. Law started in 1922 with Travelers and later represented Illinois Life. For the past 15 years he has operated as a general insurance broker.

Mr. Fogarty was formerly with Guaranty Life and Occidental Life of California and has had 21 years of successful agency experience.

ranked among the leading agencies, holding first place for two years and either second or third the others. It won permanent possession of the first "Victory" trophy offered by the company for outstanding record in paid life insurance and also won the president's plaque the first three years it was awarded.

### Amidon Life Manager for Field & Cowles, Boston

Ken Amidon, who has been assistant manager of the M. F. Kane agency of Prudential in Boston, has been made life insurance department manager of Field & Cowles, Boston. Mr. Amidon was with Prudential for the past seven years and prior to his experience with that company was with the Albert H. Curtis agency of New England Mutual.

At Field & Cowles, he succeeds Joe Giltner, who now becomes life insurance manager for Marsh & McLennan in Boston. Mr. Giltner was at Field & Cowles for nine years. He established the life department there.

### Branch Changes Are Made by Travelers

Changes in its life branch offices were announced by Travelers. J. F. Farrell has been named field assistant in Worcester, Mass. He was graduated in 1934 from Holy Cross College, was a teacher in Worcester, then assistant manager of a personal finance company there, with the Reed Prentice Corporation and expeditor planning department Norton Company there.

R. C. Brannon, Jr., formerly field assistant in Atlanta, has been released from military service and reassigned to the same branch. C. R. Sircom, manager at Halifax, Nova Scotia, has retired and until further notice L. J. Dockrill, cashier, will be in charge there.

### Harper to California Agencies

Norman Harper has been appointed superintendent of the group accident and health and life department of California Agencies, Inc., general agents of Continental Casualty and Continental Assurance for all of California. He will have his headquarters in the Los Angeles office.

Mr. Harper has been with the group department of Travelers in Los Angeles office and before that was with the group department of Equitable Society in Chicago.

### Monumental Life Changes

Isaac H. Lloyd, Richmond manager for Monumental Life since 1941, has been transferred to McKeesport, Pa., as manager. Harry M. Wrazt, special home office representative, has been made manager at Richmond.

### Steffen Named at Dubuque

Leo A. Steffen has been appointed general agent of Occidental Life of California at Dubuque, Ia. He has had 12 years experience in insurance, first as a salesman in Chicago and Dubuque and since 1935 has been with Aetna Life. He was one of the organizers of the Dubuque Association of Life Underwriters, served as its first vice-president and has been national committee-man.

### Opens New Dubuque Office

E. H. Snow, Des Moines general agent of Aetna Life, has opened a new Dubuque office with Virgil F. Freymann and Philip C. Bronson jointly in charge. Both are from Dubuque and graduated recently from Aetna's advanced training school.

### Castleberry Southland Manager

A. R. Castleberry has been appointed agency manager for the South Texas territory for Southland Life with headquarters at Corpus Christi.

He was formerly a personal producer for Southland in Amarillo. He is a member of the 1942-43 Leaders Round Table of Texas and a member of Southland's 1943 President's Club. Mr. Castleberry will be in charge of 46 counties.

The item in a recent issue stating that C. H. Thompson had been appointed district manager in Augusta, Ga., for Life of Virginia was incorrect. Mr. Thompson has been made assistant district manager.

### Need Public Relations on Industrial

TORONTO—In addressing the Life Advertisers Section of the Canadian Life Officers Association here, Kenneth R. Wilson, "Financial Post," Ottawa, stated that the most important life insurance public relations job in Canada today is an educational program on industrial business. He pointed out that Dr. Leonard Marsh must have been ignorant of the special virtues of industrial insurance in Canada when he criticized industrial in his Canadian "Beveridge" plan.

The average industrial policy in Canada is four or five times that of the policy of Britain, or about \$260 compared with \$72.

### Ballew to San Antonio

H. W. Ballew has been transferred from Fort Worth to San Antonio as manager of the Hooper-Holmes Bureau, succeeding Claude Phillips, who has been appointed manager in Dallas.

## NAME OR NUMBER?

Here an agent is a real flesh and blood personality to everyone in the Home Office from the office boys to the President AND—we are not so big that anyone on the assembly line forgets that an agent can only make his money on delivered policies. That's why the app gets right-of-way until the policy is in the mail bag.

### CENTRAL LIFE Insurance Company of Illinois

211 W. Wacker Drive, Chicago

ALFRED MACARTHUR, President

★  
**TO INSURE  
VICTORY**  
★

We have closed ranks and geared our services to wartime requirements.

All are dedicated to the proposition of buying War Bonds to the limit of our joint capacity and as we keep our normal business functioning, to devote every ounce of capacity and energy to furthering the war effort.

We join with the life insurance companies of the nation in pledging full cooperation to the Government.

### THE PROVIDENT LIFE INSURANCE COMPANY

BISMARCK, NORTH DAKOTA

WESTERN OFFICE

208 PLATT BLDG.

PORTLAND, ORE.



## LIFE SALES MEETINGS

### Occidental Life Chicago Gathering

Occidental Life this week completed the seventh of a series of regional meetings with managers and certain agents to introduce to the field the company's unusual program for writing pension trust business in the life insurance field and its new line of accident and health policies. The meeting in Chicago Tuesday, Wednesday and Thursday was attended by a group of about 40 from Pennsylvania, Ohio, Indiana, Michigan and Illinois. From the head office there were C. H. Tookey, actuary; Ray Belknap, director of agencies; A. D. Anderson, superintendent accident and health department, and Lester Roscoe, director of field training. Vice-president V. H. Jenkins was also able to appear at the opening session as he was in Chicago on his way to make a Canadian trip.

Next Monday and Tuesday there will be a similar gathering in Minneapolis to be conducted by Mr. Roscoe, E. H. Ferguson, divisional manager at Chicago, and George V. Shipley, home office representative in the middle west. Mr. Anderson and J. Dandy, assistant actuary, will conduct meetings at New Orleans, Houston and Dallas.

### B.M.A. Holds Congress for Ind. and Kentucky Agents

Business Men's Assurance held a two-day sales congress for Indiana and Kentucky agents at Indianapolis. New ideas adopted by the company during the past year were discussed. J. C. Higdon, vice-president in charge of sales, talked

on "Our Business after a Year at War." He touched on the present situation from the standpoint of the company, its investment problems and personnel.

How gasoline rationing affects the efforts of producers was discussed with suggestions on how time and travel can be conserved through planning ahead. Present difficulties can be turned into life insurance production, Mr. Higdon said.

G. J. Tritch of the home office reviewed progress of the company this year.

On Sunday afternoon, Mr. Higdon took part in the regular program of "The Eight Cylinder Club" over station WISH conducted by Mansur B. Oakes, and sponsored by Noel Iiams, manager of the Indianapolis branch of the Business Men's Assurance.

There was a round table discussion of sales methods on both days and a banquet the second evening.

### Beneficial Executives Hail Los Angeles Agency Record

LOS ANGELES—Roy Utley, southern California general agent of Beneficial Life, has broken all company records by winning the three chief prizes for general agents.

The trophies that accompany the triple achievement were presented to Mr. Utley at a one-day sales meeting. They are: The President's Cup, awarded to the leading agency; the gold plaque for excelling in volume and quality of new business and the silver plaque for excelling in organization and training and agency building.

In attendance at the sales meeting and presentation of trophies were Virgil H. Smith, vice-president and actuary; Harry J. Syphus, superintendent of agencies, and Frank Mozley, past president of the Utah Association of Life Underwriters, who with 32 years service, is one of its senior agents. He was guest speaker.

### Big Increase in State

Mr. Utley has done a notable job in agency building in southern California, and contributed largely to the \$5,300,000 of new business written by the three general agencies in the state, a gain of 65% over the preceding year. Mr. Syphus reports that the company will pass \$100,000,000 of insurance in force in 1943, and that the 1943 gain over 1942 now is 8% above that of 1942.

Mr. Utley has in his agency two outstanding agents who in their first 14 months in the business have qualified for the company's Million Dollar Club. A. M. Steed of Glendale not only has applied for \$1,000,000 of new insurance, but actually has that amount in force. Willard Kimball of San Diego in his first year in the business wrote applications for more than \$1,000,000 of new business and has \$900,000 of it now in force, with the remainder being issued.

Mr. Syphus said that out of every 100 applications received, 94 were issued and the insurance placed in force.

### Evans and Malloy on Tour

L. J. Evans, assistant director of agencies of Northwestern Mutual Life, and F. A. Malloy, assistant secretary, participated in the Kentucky state meeting of the agencies of R. F. Clendenin, Louisville, and W. H. Honeycutt, Glasgow, held at the former city. They also spoke at the sales meeting held at Mill State Park at Mitchell, Ind., by the B. A. Million agency of Evansville.

Governor Griswold of Nebraska has signed a bill which authorizes the Metropolitan Utilities district of Omaha to purchase annuities and life and disability insurance for all employees.



### THAT LITTLE EXTRA SERVICE

You don't have a uniform to show you are in the service of your Country (your uniform a faded and worn coverall or shiney serge); no stripes or bars to indicate your devotion to duty; no bands or parades; but with or without them we know you couldn't do more for your Country.

Our tribute to you, Mr. and Mrs. America, is both personal and sincere. Your service rates with that of our armed forces for courage, toughness and high devotion to your Country's cause. We can't present medals but we are glad and very, very proud that our men and women are giving that extra service to help our soldiers, sailors and marines protect our Four Freedoms. It is a sacred trust for all.

We, in the Life Insurance business, salute you and pledge the continuance of your personal security, via life insurance, now and in the future.

## PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

INDIANA



In the war against  
REALITY, man has but  
one weapon...

IMAGINATION  
—de Gaultier



## INDIANA and INDIANAPOLIS LIFE

Though operating in several states, the Indianapolis Life Insurance Company is most widely patronized where it is best known—in its HOME STATE.

The Company stands high among all companies operating in the state in—

AMOUNT OF INSURANCE IN FORCE

AMOUNT OF NEW BUSINESS PAID FOR  
EACH YEAR

GAIN OF INSURANCE IN FORCE, and

AVERAGE INCOME PER REPRESENTATIVE

A few choice Indiana territories are still available.

### INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis, Indiana

A Quality, Legal Reserve Mutual Company

Organized in 1905

EDWARD B. RAUB  
President

A. H. KAHLER  
Second Vice-President  
Supt. of Agencies

## NEWS OF LIFE ASSOCIATIONS

### Campbell Named President of Lincoln Association

LINCOLN, NEB.—At the annual meeting of the Lincoln Life Underwriters Association these officers were elected: President, DeWitt A. Campbell, district manager John Hancock; vice-president, Vern Greenwood, Equitable Society; secretary-treasurer, Earl Walton, Security Mutual of Nebraska; directors, W. A. Fraser, Bankers Life of Iowa; Colton Smith, Northwestern Mutual, and Ralph Graybill, Prudential; national committeeman, O. R. Frey, Bankers Life of Nebraska.

Hibbard W. Noble, for many years general agent in the South Platte territory of Nebraska for New England Mutual, and A. R. Edmiston, who had a similar record with Union Central, were voted honorary life memberships. Each has been active in association affairs for more than 40 years, and both still carry rate books.

### Explains Guertin Measure

Don I. Parker, actuary of Security Mutual of Nebraska, presented a diagnosis of the Guertin bill, recently adopted in Nebraska with an effective date of Jan. 1, 1948, from the standpoint of the interest of the agent. He commended it as assuring correct and equitable settlements with policyholders, and especially the provision that cash surrender values shall be payable as soon as earned instead of there being a three-year lag.

### Oklahomans Elect June 10

The annual meeting of the Oklahoma Association of Life Underwriters June 10 will be held jointly with the regular monthly meeting of the Oklahoma City association, which will install its new officers.

John P. Costello, leading producer of Southwestern Life, Dallas, will speak. He is vice-president of the Texas association, past president of the Dallas association, a C.L.U. and member of the Million Dollar Round Table.

### West Virginians Elect Clonch

CHARLESTON, W. VA.—Harold Clonch, Bluefield manager Metropolitan Life, was elected president of the West Virginia Life Underwriters Association at the annual meeting here.

The session was limited to one day. Clarence Burden, educational director Metropolitan Life, spoke on "Training for Production." Early arrivals were entertained at a dinner given by the Charleston General Agents & Managers Association.

### Two Events in Chicago

President J. H. Brennan of the Chicago Association of Life Underwriters will be host to the officers and directors at a luncheon meeting June 10. Business in connection with the year's work will be discussed. A. E. Patterson, executive vice-president Mutual Life of New York and past president Chicago association, will speak at the annual meeting June 15, when results of the mail vote on new officers will be announced and the officers installed.

### Warren Nominated in Boston

BOSTON—The nominating committee of the Boston Life Underwriters Association announces the following slate to be submitted at the annual meeting June 10: For president, McKinley H. Warren, manager Phoenix Mutual; first vice-president, Montague P. Ford, Home Life; second vice-president, Nelson D. Phelps, Northwestern Mutual; secretary-treasurer, William H. Daley, Jr., John Hancock. Miss Bernice F. Cunningham, Equitable Society, is a candi-

date for director. She will be the first woman to serve, if elected.

Cleveland—The annual meeting will be held June 10. A slate of officers has been recommended by the nominating committee of which Walter Baker is chairman. The speaker will be Judd Benson of Cincinnati, N.A.L.U. trustee, on "Four Hot Markets."

Orange County, Cal.—A. C. Duckett, Northwestern Mutual Life, president Los Angeles Association, and C. E. Cleeton, Los Angeles general agents Occidental Life of California, spoke at a meeting in Santa Ana.

Dayton, O.—Walter F. Bunn, district manager of Mutual Life, was elected president; Donald L. Ward, Prudential, vice-president; Walter H. Grundy, district manager Connecticut Mutual, secretary-treasurer and state committeeman. Maxwell F. Ettlinger, Northwestern Mutual, was elected a director to fill the vacancy caused by the recent death of William J. Burns of Connecticut Mutual Life.

The association has just completed a campaign which brought membership to 185, highest in history.

San Francisco—Mrs. Gladys Sinnott, Fidelity Mutual Life, San Jose, addressed the women's committee at a luncheon Thursday. This was the last meeting before the summer vacation.

Pittsburgh—Rev. N. R. H. Moor, dean of Trinity Cathedral in Pittsburgh, will speak on "Personal Response" at the meeting June 24 at which officers will be installed. The Lee D. Hemingway cup will be awarded to the agency which has led in organization activities during the past year.

Wichita, Kans.—Officers and directors will be elected June 11. The slate recommended by the nominating committee includes Paul Jernigan, Penn Mutual, president; Don Mitchell, New York Life, and Merle Hoyt, Lincoln National, vice-presidents; Glenn Mosher, Prudential, secretary-treasurer. W. E. Rhodes, Fidelity Union, Dallas, headliner at the recent Dallas sales congress will speak on "It's Fun."

Nashville—Kimbrow Dunlap, Prudential, will be installed as president; Charlie Creagh, Metropolitan, as vice-president; and Fred T. Ragan, Mutual Life, as secretary-treasurer at the June picnic meeting. Secretary Ragan reports a gain of 217 members.

At the May meeting a panel discussion on the influence of taxes on life insurance selling was led by Leonard McCann, Northwestern Mutual, assisted by Ed Binkley, Metropolitan; Roy Streigel, Provident Mutual, and James Irvine Jr., Connecticut Mutual.

Memphis—A picnic will be held on June 11 in lieu of the regular June meeting.

Little Rock, Ark.—Walter W. Head, president of General American Life, spoke emphasizing the need for international council for maintaining peace.

Jackson, Tenn.—William J. Bray has been elected president; L. M. Mount, vice-president; O. C. Davis, secretary-treas-

urer, and R. O. DeLoach, national committeeman. Lois Laycock, Sr., spoke.

Santa Monica, Cal.—Charles E. Cleeton, Los Angeles general agent of Occidental Life, discussed problems that are confronting the life man in these war times.

Long Beach, Cal.—New officers elected are: president, Paul F. McBride, Occidental Life; vice-president, T. J. Hinkle, Metropolitan Life; secretary-treasurer, G. Thomas McElwath, New York Life.

Industrial men put on the entire program. Frank J. Kolar, traveling assistant manager of Metropolitan Life, was chairman. Other speakers were H. J. Blythe, National Life & Accident; Jack Joseph, John Hancock, and A. K. Moore, Prudential. Their topics were "Production," "Place and Purpose of Industrial Life Insurance," and "The Economic Situation and Future of the Life Insurance Man."

Topeka—The association has held a series of meetings addressed by members. At the last one Earl Goodrich, Bankers of Nebraska, told of interesting experiences from his 30 years in the life business. Previously Hugo A. Matoush, Union Central; Paul Allen, Equitable of Iowa, and John McClung, Aetna Life, had spoken.

## CHICAGO

### McKEY & POAGUE OFFICE

McKey & Poague, general real estate firm in Chicago, has opened a new office at 29 South LaSalle to facilitate the handling of Fidelity Mutual Life properties. The office will, however, engage in a general real estate business as well, including insurance. Fidelity Mutual Life's properties heretofore have been handled by the Parkway Realty Management Co., which has closed its office. J. A. Myers, who has been manager for Parkway seven years, and C. R. Carlson, his assistant, will be associated with McKey & Poague in the new office.

### HONOR Borchers' 25 YEARS

Herman W. Borchers, assistant general agent and brokerage manager of the R. S. Edwards general agency of Aetna Life in Chicago, is being honored by the agency in June, which has been designated "Borchers Month" in observance of his 25th anniversary with Aetna Life and 48 years in the insurance business on La Salle street, Chicago.

Mr. Borchers started with the old Moore & Jane general insurance agency in Chicago May 1, 1895, and in 1911 went with the Henry P. Magill & Co. agency as manager.

In 1916, Mr. Borchers went with Morrison & Blew as manager and then with Massachusetts Bonding. In 1918 he returned with John A. Morrison, formerly of Morrison & Blew, who had become general agent of Aetna Life. He served as brokerage manager under S. T. Whatley, then Chicago general agent of Aetna Life, now agency vice-president at the home office, and since 1933 under

General Agent Edwards, who succeeded Mr. Whatley.

### PENSION TRUST HEARTACHES

In connection with pension trust business which is all the rage in Chicago some agents that have worked up cases and put in much time and gone to some expense have been greatly disappointed when the final action of the board of directors or controlling body was taken. Some director or prominent man in the organization would insist that the business be given to a life insurance friend of his. Thus the man who did all the preliminary work is out of it and loses a juicy commission.

Realizing this fact a number of people writing pension trust business will, when they find a case where there is serious intentions, require that an agreement be entered into that if a concern decides to take a pension trust policy it will be given to the agent if he does the work on it. If not he will refuse to give any time to it. A pension trust case is always difficult and complicated. It has many legal features entering into it. It is time consuming. Therefore the man who does the work rightly feels he is entitled to the commission if it is decided that such a policy will be taken.

### BUILDING FOR THE FUTURE

Some managers are proceeding along the same lines that they do in normal times to a large extent in matter of recruiting agents. They seek to have a well balanced agency so far as age is concerned but if they find a very likely younger man even though he may be inducted into service in the near future they take him on, give him the training, get him into production. Their purpose is to have these younger men get a view of the business so that they will return to the agency when the war is over. The managers keep in close touch with these men in the service. They write them personal letters, send them bulletins and other material. They are building, therefore, for the future.

### INDIVIDUALIZING A COMPANY

In these days when business is difficult to get offices that are seeking brokerage make a searching study of their own companies to see what risks they will take that will have an appeal to producers. Frequently some companies are more lenient in one or two lines than others. The manager endeavors to find the line of least resistance. He develops a plan of personal service for brokers so that they feel that what he is doing is well worth their efforts. In other words, he individualizes his own facilities and service. In case of smaller or medium sized companies in competition with large ones, the manager finds it even more necessary to work up plans that are individual to his own office.

### National Negro Convention

The annual meeting of the National Negro Insurance Association will be held at the Metropolitan building, 4455 South Parkway, Chicago, July 20-23. The president is A. T. Spaulding, actuary and assistant secretary of the North Carolina Mutual Life of Durham, S. C.

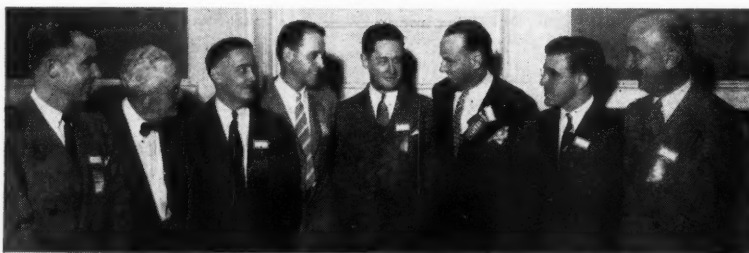
## PROPERTY MANAGEMENT

### ENGEL REALTY COMPANY

Realtors & Insurers

MANAGEMENT SALES  
LEASES APPRAISALS  
BIRMINGHAM, ALABAMA

## Virginia Sales Congress Speakers



The sales congress in Richmond, sponsored by the Virginia Association of Life Underwriters attracted 350 agents. Speakers are shown above. Left to right: J. Roger Hull, vice-president and superintendent of agencies of Mutual Life; G. Jeter Jones, vice-president First & Merchants National Bank; Samuel D. Risley, superintendent of agencies of Metropolitan; Daniel L. Williams, president Richmond association; James E. Rutherford, executive vice-president National association; Eugene F. Hughes, president Virginia association; J. E. Josephs, New York Life, and Edmund H. Harding, humorist.

## LEGAL RESERVE FRATERNALS

### State of Wash. Congress Meets in Seattle June 26

The Washington State Fraternal Congress will hold its annual convention in the A.O.U.W. building, Seattle, June 26. The congress is especially interested in a program of cooperation with the Washington fire prevention committee sponsored by Insurance Commissioner Sullivan of Washington, who also is state fire marshal, and various insurance organizations.

The congress assisted in a fire prevention clean up campaign which has just been concluded known as the "victory home campaign" and has been asked to conduct a state wide educational campaign through subordinate lodges and members, recommending that the rules and regulations promulgated by Marshal Sullivan be followed and residences and places of business be kept free of accumulations of trash and combustible matter.

Mrs. Violet Lundstedt is congress president, A. W. Peeler, first vice-president; Mrs. Daisy B. Mash, second vice-president; Mrs. Julia Stalker, treasurer, and C. D. Robinson, secretary. Mr. Robinson is fraternal supervisor of the Washington state insurance department.

### Honor Veteran Field Man

Ferdinand Buettner, field representative of Lutheran Brotherhood in St. Louis, associated with the J. Boehne agency there, celebrated his 85th birthday and was honor guest at a luncheon at which the home office was represented by E. A. Anderson, supervisor. Mr. Buettner still drives his coupe through St. Charles county, Mo., and Monroe and Calhoun counties, Ill., soliciting for Lutheran Brotherhood. He was presented a birthday greeting card three feet square and a shirt and tie.

### Maccabees Lead in Oregon

Maccabees led fraternal in new life business, including increases and revivals, in Oregon in 1942 with \$713,380, followed by Independent Order of Foresters \$289,500; Royal Neighbors \$284,000; Degree of Honor Protective \$245,512; Woodmen of the World \$244,170, and Lutheran Brotherhood \$213,390.

### Restriction on Juniors

The executive committee of Lutheran Brotherhood at a meeting recently decided that the war risk, aviation and travel exclusion rider after May 1 should be attached to all contracts issued at any age. This makes the rider applicable on a mandatory basis to all juvenile contracts as well as adult, F. E. Mueller, secretary, announced.

### Woodmen Circle Officers Reelected at Chicago

The four chief officials of Woodmen Circle were reelected at the national convention in Chicago. Mrs. Dora Alexander Talley, president, starts her fifth consecutive year in that post. She has served the society as secretary or president for 32 years. Mrs. Talley is past president of the National Fraternal Congress.

Mrs. Jeanie Willard, Denison, Tex., vice-president; Mrs. Clara B. Cassidy, Omaha, secretary, and Mrs. Ethel B. Holiway, Montgomery, Ala., treasurer, were reelected. Mrs. Cassidy, formerly Georgia manager, recently was elected to fill the vacancy left by the death of Mrs. Mamie E. Long, and begins her first full term as secretary.

New directors named are Mrs. Henrietta Snider, Richmond, Va., and Mrs. Mayme Hippler, Cleveland.

Dr. Olga Stastny, newly appointed medical director, spoke on "Refugee Rehabilitation" at a dinner. She gained much experience in refugee work during and after the first world war. She emphasized that this country really has no comprehension of the horrors of modern war, and urged the people to accept cheerfully the few discomforts that must occur. She emphasized that lack of medical care and nutrition education would create a great post-war problem, probably much worse and of greater magnitude than after 1918.

A state managers conclave of three days followed the convention.

### Celebrates 70th Year

Artisans Order of Mutual Protection celebrated its 70th anniversary at a birthday party in the Broadwood hotel, Philadelphia, May 26. There was a vaudeville show, a speaker, special features, class initiation and dancing.

### Richards Ky. Head Consul

Logan Richards, Madisonville, Ky., head adviser of the Kentucky department of Woodmen of the World, automatically became head consul when Max Hurt, Murray, resigned because of appointment as national director of W.O.W. John Welsh, Ashland, Ky., was appointed head adviser for Kentucky. All other state officers will retain office until a head consul meeting is held after wartime travel restrictions have been lifted.

The Hungarian Reformed Federation, Washington, D. C., has been elected a member of the National Fraternal Congress.

The annual outing and agency meeting of the L. C. Mersfelder agency of Kansas City Life in Oklahoma City, originally set for the first week of June, has been postponed to June 20.



*Sixty*  
**YEARS of SERVICE**  
1883 1943

As MODERN WOODMEN OF AMERICA completes 60 years of service to members and beneficiaries, it again finds itself functioning in a world at war. In the future all our efforts are pledged toward doing our part in prosecuting the war until it is brought to a victorious conclusion. Through its heritage as a fraternal life insurance society, Modern Woodmen of America will be a strong factor in maintaining the home-front for the duration, and it will be a vital economic force in rebuilding a peacetime America.

It is with justifiable pride that this organization reviews its 60-year record of faithful performance of its appointed duties through previous wars and periods of world-wide economic stress. It faces the future confident that it will continue indefinitely to fulfill its destiny of rendering genuine fraternal life insurance service to the people of America.

Diamond



Jubilee

\$650,000,000  
paid in benefits

Assets exceed  
\$105,000,000

**MODERN WOODMEN of AMERICA**  
Rock Island . . . . . Illinois

## COMPLETE FAMILY PROTECTION

Men, women and children written from birth to 60 years of age

Life—Endowment and Term

Sickness and Accident—written separately or in conjunction with Life Insurance Protection

Hospital Certificates

PROTECT YOUR HOME—YOUR COUNTRY DEPENDS ON A FIRM, DETERMINED HOME FRONT

**THE MACCABEES**

Home Office in Detroit, Michigan



**THE LEADER  
IN  
ITS FIELD!**

**AID ASSOCIATION for LUTHERANS**  
APPLETON, WISCONSIN

## COAST

### Belden Heads Los Angeles Life and Trust Council

The Los Angeles Life Underwriters and Trust Council has elected these officers: President, Henry E. Belden, Union Central Life; vice-president, F. H. Kerns, Union Bank & Trust Co.;



HENRY E. BELDEN

secretary-treasurer, Miles Flint, Citizens National Trust & Savings Bank; assistant secretary-treasurer, Martin I. Scott, Equitable Society; new director,



**MAKE LIBERTY  
LAST FOREVER**

**BUY**

**UNITED STATES WAR  
BONDS AND STAMPS**

For the duration, Royal Neighbors of America will devote all of its advertising space to this one message, thus exemplifying patriotic principles it has practiced for 48 years. In defense of the home and family, the society provides sound legal reserve life insurance for women, men and children.

**ROYAL NEIGHBORS  
OF AMERICA**

SUPREME OFFICE, ROCK ISLAND, ILL.

John R. Mage, Northwestern Mutual Life.

The new president headed the Life Underwriters Association of Los Angeles in 1940-41 and has served as a director of the Los Angeles C.L.U. chapter. He is a recognized authority on pension trusts and the technical phases of life insurance.

### Sloan Froggatt's Coast Manager

Charles A. Sloan has been appointed resident vice-president and Pacific Coast manager of Joseph Froggatt & Co., with headquarters in San Francisco. Ralph L. Martin will continue as assistant Pacific Coast manager. Harold Kelly has been sent from New York to be manager of the Los Angeles office. Mr. Sloan has been an officer of the organization for many years.

### Joint Mortgage Loan Ruling

SAN FRANCISCO — The insurance commissioner of California has it within his discretion whether or not he will accept mortgage loans on properties owned in joint tenancy as admitted assets, according to an opinion by Neil Cunningham, deputy attorney-general. Investment of an insurer in a note secured by mortgage executed by a co-tenant of property is of doubtful value by reason of the difficulty of foreclosure procedure and determination of the respective interests in the property, the opinion stated.

### Must Have State License

SAN FRANCISCO — Agents and brokers transacting business on federal government property in California, including that taken over recently for war purposes, must have a California state license, according to an opinion rendered Commissioner Caminetti by Neil Cunningham, deputy attorney-general.

David Marx, Massachusetts Mutual, Atlanta, spoke to the John W. Yates agency in Los Angeles on "Pension Trusts."

## NEW YORK

### JEWISH CHARITY'S DINNER

A joint dinner of the general insurance and life insurance divisions of the United Jewish Appeal for Refugees, Overseas Needs and Palestine featured G. Z. Medalie, former U. S. attorney and president of the New York County Lawyers Association, as principal speaker. Lester Einstein, general agent

## There'll Always Be A FUTURE!

The character of insurance selling may change as conditions change. Yet, until the future becomes an open book, insurance protection will always remain a basic human need. Lutheran Brotherhood offers the kind of policies and the kind of help that make selling easier under today's conditions. In Lutheran Brotherhood there'll always be a future—and a bright one—for the man who believes in insured security. Get details on the L-B plan now!

(Representatives must be Lutherans)

**LUTHERAN BROTHERHOOD**  
LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

Herman L. Ekern, President

608 Second Avenue So. Minneapolis, Minnesota

Mutual Benefit Life is chairman of the life division and L. S. Frenkel is chairman of the general insurance division.

### EDUCATOR TO SPEAK

Dr. Burges Johnson, chairman of the field of English, Union college, Schenectady, N. Y., will speak at a meeting of the New York City Life Underwriters Association June 10.

### BIERBAUM HAS HOUSEWARMING

The Raymond F. Bierbaum agency of Mutual Benefit Life in New York City held an informal family party to celebrate the opening of the new agency quarters on the 14th floor of 110 East 42nd street. Officials and department heads from the home office and general agents and agents from the metropolitan area attended. A catered buffet supper was served. The new offices are well-planned and include a series of private offices opening off a main corridor, each housing one or two agents. There is a home-like air.

## POLICIES

### Union Central Reenters Pension Trust Field

Union Central Life quit writing pension trusts a year or more ago because it felt it was getting too much annuity business with the contracts, which simply augmented investment problems. It is now writing pension trusts in a more limited way. It requires that there must be at least 75% life insurance in every contract.

### Premium Rates Increased by Philadelphia Life

Philadelphia Life announced new increased premium rates have been proposed to be effective Sept. 1. While ordinary life rates are slight greater, the larger increases are in limited payment and endowment policies. Illustrative rates on the old and new bases are:

Ordinary Life			20 Payment Life		
Age	Proposed Rates	Present Rates	Age	Proposed Rates	Present Rates
25.....	\$16.47	\$15.66	25.....	\$26.37	\$24.54
40.....	26.59	25.36	40.....	36.15	34.41
55.....	49.36	48.67	55.....	57.12	54.57
20 Year Endowment			Retire. Income at 65		
25.....	\$45.26	\$42.74	20.....	\$23.96	\$20.50
40.....	47.68	45.30	30.....	33.54	29.69
55.....	60.55	57.69	40.....	51.50	47.72
			50.....	95.10	90.11

### Defense Has Next Move in Illinois Bankers Case

Lawyers for the policyholders of the old Illinois Bankers Life, the assessment company, have completed their case in which they are seeking to recover \$800,000 from the estates of Hugh T. Martin, W. H. Woods and Arthur H. Sawyer, former officials of Illinois Bankers. The company itself, which is intervening in the case, also presented some testimony and the policyholders of the new company, also intervening, put in evidence on Thursday and Friday. The defendants have asked for additional time and Judge Miner indicated that he would allow them a week.

Vernon Loucks, attorney for the policyholders of the old company, has traced in minute detail the various transactions which he charges resulted in Messrs. Martin, Woods and Sawyer setting up the new company from the assets of the old, with themselves in control. Much technical proof was introduced. The testimony before the Temporary National Economic Committee was put in evidence and every one of the reporters who took the notes of that hearing was put on the stand. The notes themselves after an intensive search were located in the Senate archives.

## ACTUARIES

### CALIFORNIA

Barrett N. Coates

Carl E. Herfurth

**COATES & HERFURTH**  
CONSULTING ACTUARIES

582 Market Street  
SAN FRANCISCO

437 S. Hill Street  
LOS ANGELES

### ILLINOIS

**DONALD F. CAMPBELL**

and  
**DONALD F. CAMPBELL, JR.**

Consulting Actuaries and Public Accountants

35 Years of Service

100 North La Salle Street, Chicago, Illinois  
Tel. State 1336

**WALTER C. GREEN**

Consulting Actuary

211 W. Wacker Dr.  
Chicago  
Franklin 2833

333 St. Charles Ave.  
New Orleans  
Raymond 0947

**HARRY S. TRESSEL**

Certified Public Accountant and  
Actuary

10 S. La Salle St., Chicago

Associates  
N. A. Moscovitch, A. A. I. A.  
W. H. Gillette, C. P. A.  
L. J. Lally

Franklin 4020

### INDIANA

**Haight, Davis & Haight, Inc.**

Consulting Actuaries

FRANK J. HAIGHT, President

Indianapolis—Omaha

**HARRY C. MARVIN**

Consulting Actuary

221 E. Ohio St.

INDIANAPOLIS, INDIANA

### MISSOURI

**CARROLL E. NELSON**

Consulting Actuary

915 Olive Street, Saint Louis  
Central 3128

### NEW YORK

Established in 1885 by David Parks Fackler

**FACKLER & COMPANY**

Consulting Actuaries

8 West 40th Street

New York

Consulting Actuaries  
Auditors and Accountants  
**Wolfe, Corcoran and Linder**

116 John Street, New York, N. Y.

### PENNSYLVANIA

**FRANK M. SPEAKMAN**  
CONSULTING ACTUARY

Associate

E. F. Higgins

THE BOURSE

PHILADELPHIA

# Sales Ideas and Suggestions

## San Francisco Leaders Give Program in Los Angeles

LOS ANGELES—San Francisco Life Underwriters Association caravan put on a notable meeting here in returning the visit of the Los Angeles caravan.

W. H. Brock, Jr., Union Central Life, president of the San Francisco association, brought its greetings to the Los Angeles association and then turned the meeting over to Gordon Coryell, Mutual Life chairman of the San Francisco caravan, who spoke on "Don't You Believe It."

### Why Pick on Big Producer?

Mr. Coryell asked: "Why pick on the big producer for these programs and not the man who sells from \$75,000 to \$100,000 per year?" and answered by saying that the big producer is one who can speak effectively in public and does things the average producer doesn't want to do. He said the 48-hour week will bring business to the life man because he will have the extra eight hours and can see the war and defense worker. He declared that insurance can benefit from the new money that is coming into circulation through the defense worker. In 1942 the San Francisco Quarter Million Round Table had 25 members and this year has 63, which is a sign of the progress life insurance is making. He said the agent who doesn't attend meetings is the man who must be educated.

### Insurance for Taxation

Mrs. Gladys Sinnott, Fidelity Mutual Life, talked on "Insurance for Taxation." She just presents the actual figures and facts concerning the prospect's situation and lets them do the talking. She pointed out that in the case of annuities only 3% need be reported for federal taxation purposes, while all other investments must be reported fully at 100%. She pointed out that life insurance for taxation is not taken for the purpose of avoiding taxation, but that the government gives the opportunity to minimize taxation.

Bernard Jaffe, Penn Mutual Life, spoke on "Learning from Buddha." He took the eight points of Buddhism and

applied them thus to present day life insurance: (1) Right Livelihood. The life man to be successful must be sure he is in the right business to make it a livelihood. (2) Right Knowledge—He must learn all he can about his business and the benefits to policyholders. (3) Right Speech—He must develop and be able to present a good sales talk, one that is convincing and leads to closings. (4) Right Intention—He must have more interviews, more contacts. (5) Right Effort—He must plan and have time control. His markets now are larger, including the war worker and the feminine prospect, and he must plan his work to contact them. (6) Right Action—He must try out new ideas to get the proper course of action and when he arrives at it then stick to it. (7) Right Attentiveness—He must everlastingly keep after his business and his prospects. (8) Right Concentration—He must concentrate on his affairs and not go off on any tangents.

### Prestige Built on Good Will

Edwin T. Golden, New York Life, speaking on "Let's Be Practical," declared prestige is built on having the good will of one's fellows and that good will is the greatest thing in the world. To build good will the agent must first build confidence in himself by having a complete knowledge of his business and, second, by giving good service to his policyholders and his company. Third, the agent must leave his prospects, his policyholders, and all of his contacts smiling. The outstanding thing in prospecting, he said, is to prospect the man who can pay.

Kenneth L. Cassidy, Pacific Mutual, president California association, talked on "The Modern Day Miracle." He said the uncertainty of these days is a challenge to life men to take stock of themselves and to measure up to the standard of the men in uniform. Life insurance is the greatest economic benefit of today. It exemplifies what man can accomplish by the use of the law of cooperation.

## Tax Sales Opportunities Pointed Out by Finkbinder

PHILADELPHIA — Sales implications and the opportunities of estate re-planting in the light of the 1942 revenue act were discussed by A. C. F. Finkbinder, general agent Northwestern Mutual Life, before the Philadelphia Life-Trust Council.

To capitalize on the tax program, an agent must be fully conversant with all the facts, especially as they concern his clients.

Finkbinder shared the platform with J. L. Weatherly, Fidelity-Philadelphia Trust Company, who dealt with sales implications as they relate to trusts. Mr. Weatherly was elected president; Charles H. Smith, Penn Mutual, vice-president; T. R. Powell, Manufacturers Life, secretary, and R. W. McIlvaine, Germantown Trust Company, treasurer.

### Legitimate Objectives Outlined

Outlining what he considered "legitimate objectives" in tax selling, Mr. Finkbinder said: "We must endeavor to place our clients in a position to pay

death taxes when they fall due without wrecking or sacrificing assets of the estate; we owe it to them to help minimize taxes for which they or their estates will be held liable, and our recommendations and sales efforts should afford greater security to the assured in his declining years and/or to his heirs when he dies."

Although the elimination of the special \$40,000 life insurance estate tax exemption was looked upon with dismay by most life agents, it has actually opened up a wonderful sales opportunity by bringing the tax situation home to many individuals. No longer is the sizable tax liability of concern only to millionaires, Mr. Finkbinder pointed out.

### Tax Tables Provoke Thought

Tax tables, with the question, "How is that bill going to be paid without sacrifice of assets or impairment of your family's security?" will disturb the prospect and he will no longer think of estate taxes as an academic question.

The only answers to the situation is

more life insurance "to prevent the inheritance of beneficiaries being cut down, more life insurance to preserve old options for programs, new life insurance because the imposing of larger death duties falls on what a man has accumulated and therefore emphasizes importance of capitalizing future earning power and passing the indemnity of it on to heirs in lieu of accumulated wealth."

### Named Beneficiaries Criticized

Because life insurance for many years enjoyed special exemption, Mr. Finkbinder said, life agents have almost made a fetish of advising policyholders to designate individually named beneficiaries even though the insurance was intended as a fund for taxes, although there was the other motive of keeping policies and proceeds exempt from claims of creditors. Many instances exist where minor children are designated as contingent beneficiaries and the policies are under the interest option to the wife subject to withdrawal. However, this practice may result in the miscarriage of the insured's intent. Taxes on his estate are due and payable by his executor, yet his widow's interests may run counter to the estate for a number of reasons, not foreseen in his lifetime; hence she may not be disposed to turn over the insurance proceeds to pay the taxes, even on a loan, leaving the executor no alternative but sacrifice of assets. Or consider the possibilities of the wife's death either before or after she has withdrawn the proceeds. If she dies with the funds still under the interest option minor children become the beneficiaries and no guardian or court acting for minors could authorize use of the insurance for taxes in the father's estate. And, if she had withdrawn the funds but not used them to pay the taxes, they would be in her estate and not available to the executor of the insured. Of course, the answer is an insurance trust or even a beneficiary designation of the insured's estate if he shies off of or delays in executing a trust agreement.

### Provides Good Opener

This problem provides an excellent opener designed to lead to a new and complete discussion of the affairs and problems of prospects, Mr. Finkbinder pointed out.

Another amendment which offers opportunity for sales exploitation is that which includes life insurance in the insured's estate if he has directly or indirectly paid the premiums "or died possessed of incidents of ownership," Mr. Finkbinder said.

"Within the confines of the act," he said, "although as yet we do not have regulations, there is an excellent field for sales by making use of the third party ownership form. In fact, as you will readily recognize, this is a subject big enough for a discussion of its own. The life underwriter who has or can acquire complete knowledge of the financial affairs of his prospects and clients and their close relatives is in an excellent position to sell insurance to these parties where the applicant is a person other than the insured."

## TWO ILLUSTRATIONS

Mr. Finkbinder offered two illustrations: (1) A wife has funds and income of her own. The husband earns an income adequate for the family's standard of living and has a life insurance general estate of \$60,000 or more. To what better use could the income and/or the principal of the wife be put than the purchase of life insurance on her husband's life. It will mature as a claim without being taxed in his estate and

probably, what is more important, would capitalize for her his earning power which his death would destroy.

A second illustration: a wife has inherited a third interest in a closely held corporation and nothing else. Dividends have been spasmodic and uncertain, the stock in itself is quite valuable and, although no market has been found for it since the father's death, in the event of her death this block of stock will cause substantial taxes to be due. If she insures her life, the insurance will be taxed over and above the value of the stock. The husband, however, has a substantial income. He can help solve this problem by purchasing life insurance on his wife's life, making it payable to a trust for the children, giving the trustee broad enough powers that he could use the proceeds to buy her stock or loan the fund to the executor of her estate. Under this arrangement, the life insurance on her life would not be taxable in her estate.

### Legitimate Uses Numerous

"Legitimate uses of third party ownership forms are so numerous that it is hard to understand why life underwriters do not develop sales of this character in greater numbers," Mr. Finkbinder said. "In addition to the usual questions you ask yourself in the process of qualifying a prospect, add this one, 'Whom should my prospect insure?'"

The 1942 revenue act "materially affects" the sale of business life insurance, he said, adding "It seems to me the sale of business insurance as a part of estate planning is strongly indicated. Because estate taxes are high, it is important that interests in closely held corporations find a ready market upon the death of the owner or there should be adequate cash for taxes in the estate if it is desired that the stockholdings be held. Assuming a desire and necessity that they be liquidated, stock purchase agreements coupled with life insurance are, of course, a highly logical solution."

### Three Obstacles Cited

He cited three new obstacles which "discourage the usual method of writing such insurance": (1) current high rate of business activity and earnings distort values causing indecision of parties as to sales price formula to be included in agreements; (2) the salary stabilization directive with its blanket prohibition against increased salaries, prevents officers of closely held corporations from increasing salaries to permit each to pay the insurance premiums on policies on the lives of others and (3) obtaining these premiums through increased dividends is an expensive proposition.

Each of these obstacles, Mr. Finkbinder said, though currently retarding the sale of business life insurance, really "argues for the wisdom of life insurance being purchased and owned by the corporation on the lives of the key stockholders."

### Situations to Watch

"It seems to me," he said, "that we should be alert for the following situations:

"(1) Where there is a desire on the part of the parties for liquidation agreements, but agreement cannot be reached on price or formula, then it is extremely important that the corporation be in a highly liquid position upon the death of a key executive stockholder so that if the executor is agreeable to a purchase offer, the corporation is in a position to acquire the stock. Or, on the other hand, if the estate is going to be stymied in its efforts to dispose of the stock, then it is to the interest of all concerned that the corporation be in a strong financial position. In other words, I am suggesting that lack of

agreement among the parties should not halt the sale of the corporation life insurance. In fact, it should argue for its placement.

"(2) Where purchase and sale agreements are feasible, but not by the parties insuring each other, then the agreement should be between the corporation and the individual stockholder executives, with the life insurance being taken on corporate form for the purpose of financing it.

"(3) Indemnification life insurance is direly needed by many companies today in view of the very high rate of business activity, contract commitments (with attendant credit expansion) and the enormous strain placed upon corporate executives.

"(4) It has been the practice of many closely held corporations to increase the salaries of officer stockholders as earnings increased, thereby, in effect, syphoning earnings off to stockholders by means of deductible expenses. The Internal Revenue Department has been fighting this system for years. Now the salary freeze does the job very effectively, so currently such a corporation is very likely to accumulate surplus rather than pay dividends to stockholders, in view of the fact that such dividends would fall in the top brackets of the key stockholder executives. Such accumulated earnings in the surplus account will either find their way into additional plant facilities or simply increase cash balances or the investment account. The concern which employs such accumulated earnings to reasonably expand production facilities usually receives favorable treatment from an income tax standpoint.

#### Surplus Tax Angle

"However, accumulation of earnings as cash surplus, or in the investment account, may subject such funds to the special tax imposed on improper accumulation of surplus. In both type of cases, there is a strong argument for ample corporation life insurance on the lives of key executives. To the extent that the accumulation goes on in reserves of life insurance policies in proper amounts and on proper plans, the revenue department is not likely to charge such accumulation as being improper. (However, high premium forms of insurance such as endowments and 5 and 10 pay life would probably be challenged.)

"In the instance where the surplus is being used to expand production facilities, and these are a legion right now, we are in an excellent position to point out the danger of going through this period of high corporate earnings and winding up with profits sunk in bricks, mortar and machinery which are profitable only if they can be continuously used. The death of a key executive stockholder during the war period or during a post-war slump would demonstrate the advisability of not putting all the accumulated earnings into plant, but appropriating enough to procure adequate corporate life insurance.

#### Not a Tax Dodge

"By pointing out to you that earnings may be accumulated within life insurance policies without being subject to improper accumulation of surplus tax, whereas other types of accumulation may be subject to it, I am not offering a tax dodge; rather I am pointing out that if a corporation doesn't carry indemnity life insurance on its key executives, it is passing up a legitimate means of building financial strength into its financial setup.

#### One Man Business Problems

"(5) With the uncertainty of the business picture which exists today, one-man incorporated businesses offer an unusual field for corporation life insurance. I refer to that type of company where one individual owns controlling interest, possibly as high as 70 or 80%. In many instances, he is not able to arrange for a satisfactory sale of his interest upon his death to associates. The uncertainty of

the post war era will limit the prospects of selling to an outsider. Liquidation of the corporation might be the most logical solution. If so, corporate life insurance on the principal stockholder's life serves the purpose of absorbing losses attendant to such liquidation proceedings. In fact, liquidation might be highly desirable from a tax standpoint. Bear in mind that if this individual attempts to create liquidity for his estate outside the corporation, he must pay premiums from income after personal taxes, whereas within the corporation he gets the benefit of the insurance protection without subjecting the premium to his personal taxes. A word of warning should be injected here. The Internal Revenue Department will not countenance excessive amounts of corporate life insurance in any of these instances, but, we can say definitely, that such corporations which have no corporate life insurance are missing a tax advantage that is legitimately theirs."

#### Must Convert Capital

Mr. Finkbinder asserted that the question of where the prospect is to get the money for payment of premiums in view of the income tax burden, suggested a study of this subject: "the advisability and practicability of converting capital assets into insurance."

"In the light of current high taxes," he said, "many highly paid corporation executives and professional men are following an investment policy almost suicidal in its results. It is a hangover from the days when a man's personal ambition was to have an income as large as possible and to obtain financial independence by building investment income parallel to earned income. Today if he has an income of \$20,000 a year, each dollar of additional income is worth only 43 cents, yet relatively few individuals have seen the fallacy of investing for current yield or taken steps to free themselves of the burden of investment income. Conversion of such investments into single premium life or limited pay plans of short duration causes the income to be tax free to the individual and produces for him protection, which will help to offset the larger estate taxes should he die. It is the same type of indirect benefit which accrues to a man who owns his own home."

#### Reexamination Imperative

The regulation dealing with the taxability of funds received by the beneficiary under options of settlement make imperative a reexamination of many insurance programs. Although flexibility is desirable, where the beneficiary will enjoy a very large income, consideration should possibly be given to the advisability of devising a beneficial interest in some part of the estate to the children immediately and setting up income for the wife from life insurance on a principal distribution option. Such options having been selected by the insured would cause the income to be treated as proceeds of life insurance and, therefore, untaxable.

"Finally, we should be alert to the problems of that group of individuals who live on fixed income either from employment or investments and who are being squeezed between the mill stones of high taxes and rising costs of living. If these people are advanced sufficiently in age to make it a practical solution, a supplementing of their income by annuities appears to be very sound. Although the yield from annuities today is not nearly as attractive as it was, in the more advanced ages it is the means whereby individuals may increase their income 100% or more."



## AGENCY MANAGEMENT

### Review Salary Plans Actually in Operation

"Salary Plans in Operation" was the topic of the Life Insurance Managers Association of Los Angeles. Four members told of the plans their companies have in use and the salient features of each.

Ray H. Finger, Sun Life of Canada, said that while his company was not altogether satisfied with it, it is regarded as a step in the right direction. He pointed out that the plan is intended to be an incentive finance plan to help the new man. While it provides an income for the new man it takes nothing from his contract, and it fits into the training plans of the company. The company pays the new man \$225 per month for the first two years, providing he qualifies for it. He is privileged to get off the plan whenever he wants, if he feels his situation is such that a regular contract is the more remunerative. During the 104 weeks one-third of his commissions goes to him, and two-thirds are held against the salary. The plan permits the new man to know how much he can earn and at the same time pays him to learn. At the end of the 104 weeks, providing he still has qualified, the debt is wiped off. The qualification requirement starts with three cases, \$10,000 written and \$5,000 paid for in the first three months, with a maximum of \$25,000 paid for in each quarter of the second year.

La Noue Matta, Acacia Mutual Life, reviewed the salary plan of his company and the other distinctive features of its agents compensation arrangement.

Manager Edward Kelly of Metropolitan Life described the salary plan on which its industrial men work, and how they also have fitted into it the ordinary part of their business.

Russell Hoghe, Equitable Life of Iowa, association president, told of the plan his company has had in force for two years. It pays \$150 per month to the new man, with definite amount of premium and new business required to qualify, these amounts rising to the end of the second year, when he is supposed to have sufficient business to go on the commission basis. He said the plan has been an aid in recruiting. Under the plan the agent never is indebted to his general agent.

#### Beck Elected in Buffalo

BUFFALO—Arthur L. Beck, National Life of Vermont, has been elected president of the Buffalo Life Managers Association. He succeeds Lewis C. Slesnick, Prudential. Other new officers are: Vice-president, Jesse J. Letts, Union Mutual; Mockford R. Washer, Metropolitan Life, secretary, and Claude C. Jones, Connecticut Mutual, treasurer. C. A. Hinkley, New England Mutual, and Leland F. Lyons, New York Life, were named directors. Vice-president Chester O. Fischer of

Massachusetts Mutual Life spoke. Business men have the individual responsibility of opposing all legislation which might lead to destruction of the nation's economic freedom, he said.

#### Johnson Heads Memphis Cashiers

The Life Agency Cashiers Association of Memphis has elected as president, T. J. Johnson, Mutual Life; vice-president, J. L. French, Reliance Life; secretary, Ruth Morris, Northwestern National and treasurer, Mary Wright, Volunteer State.

Lewis C. Callow, president of the Life Underwriters Association of Memphis, made a short talk.

#### Los Angeles Cashiers Elect

LOS ANGELES—The Life Agency Cashiers Association of Los Angeles has elected the following officers: President, Mrs. Eva B. Littleton, Connecticut General; vice-president, A. S. Barker, Occidental Life of California; secretary, Fred Brown, Penn Mutual Life, and treasurer, Mrs. Margery Cosgrove, A. E. Ellis general agency Pacific Mutual Life.

M. E. Clubine, Sun Life of Canada, and G. L. Prior, Manufacturers Life, led a discussion of government allotments and the soldiers' and sailors' relief act. The next meeting will be Sept. 16.

#### Honor Columbus Past Presidents

"Past Presidents' Day" was observed by the Columbus (O.) Life Managers & General Agents Association, with a panel discussion at which Robert J. Johnson, vice-president, presided. Paul Smith, Harry Chipman, Stanley Coffman, Leonard Lenz and Herman Tice, former presidents, spoke on "How We Meet Today's Agency Problems."

#### Means St. Louis President

At the annual meeting of the St. Louis C. L. U. chapter these officers were elected: President, George H. Means, Metropolitan; vice-president, Lawrence H. Stern, Penn Mutual; secretary-treasurer, Glen A. McTaggart, Prudential; executive committee, Stratford Lee Morton, Connecticut Mutual, and Richard H. Bennett, Reliance.

Arthur E. Miller, C. L. U., general agent of Union Central, discussed "Income Tax Selling Opportunities."

#### Runkle in Dallas Position

Arthur Runkle, formerly executive vice-president of American Savings Life of Kansas City, has been made assistant secretary of Republic National Life with special responsibilities in the accounting and policy owners' service departments. He began his life insurance career in 1919 as accountant, subsequently serving as actuary, secretary-treasurer and managing executive, which position he occupied when President Beasley and associates purchased control of American Savings and merged it with the Dallas company. He has moved his family from Kansas City to Dallas.

### INSURANCE HEADQUARTERS

Public rooms for banquets, dances and special employee functions. Ideal accommodations for group meetings of field men, agents & brokers.

WRITE JIM BLAINNEY FOR RESERVATIONS

HOTEL ALFRED LEWIS, MGR.

**TAFT**

7th AVE. AT 50th ST. NEW YORK TIMES SQUARE AT RADIO CITY BING & BING MANAGEMENT

2000 ROOMS, BATH AND RADIO FROM \$2.50



## DAD CAN'T TAKE HIS PLACE!

Sure, most dads would give anything they possess to change places with their lads in the service. But this isn't that kind of a war. It's a war where everybody has to wear the coat which fits him best—and there's plenty to be done by everyone . . . whether it be on the front line, the production line, or the dotted line on a life insurance application.

For instance, your policyholders—even those not among the millions of American policyholders now under arms—are making a real contribution just by owning life insurance. Here's how:

First, the United States Government needs money to win this war. Your policyholders' premiums are rapidly being reinvested in United States securities.

Nearly *ten billion* dollars of life insurance assets are invested in government bonds.

Second, our democratic institutions could be destroyed and the war lost if the flames of inflation should spread across the country. By creating a reservoir of savings, policyholders' dollars are pooled to help prevent that catastrophe.

Third, morale is an important factor in achieving victory. In your community, men and women are going about their jobs with freer minds because of the life insurance you have sold them.

Yes, Mr. Agent, you are important because you are helping other people to do a very essential job.



**PROVIDENT MUTUAL**  
LIFE INSURANCE COMPANY OF PHILADELPHIA  
Pennsylvania • Founded 1865

# The "power" behind our War effort — *and* *how life insurance helped produce it!*

FROM THOUSANDS of busy factories all over America, the sinews of war are flowing toward the battle fronts in a mighty, ever-growing stream.

The "power" behind these factories—the energy that permitted this country to become, almost overnight, one vast arsenal—is electricity.

For no other nation in the world enjoys so widely the industrial benefits of electricity. Moreover, in more than 80% of all dwelling houses, on more than 40% of all farms a flip of a switch brings conveniences undreamed of fifty years ago.

The vast electric power system that makes this possible came about through American initiative and enterprise.

Our electric power system took years of development. It took faith, courage, and vision on the part of management. It took billions of dollars, invested in the complicated equipment needed constantly to improve service and at the same time reduce the cost of electricity to consumers.

A substantial share of this money came from life insurance companies. For example, Metropolitan has invested many millions in underlying securities of public utilities, helping to finance their growth and expansion.

These dollars came to the Company because life insurance agents helped policyholders to provide security based upon the needs of their particular families.

Today, by far the larger part of Metropolitan's fund available for investment is going into United States Government bonds. But when the war has been won, America's power companies will continue to progress and electricity will work many new wonders in its field. Already we are promised many new developments in radio, television, and electronics.

When, in the post-war period, money is once again needed to bring the magic of electricity to more millions of people, policyholders' dollars will be ready. For Metropolitan's 30,000,000 policyholders have faith in the continued and growing greatness of their country . . . a faith they evidence every time they pay their premiums.

**BUY WAR SAVINGS STAMPS—FROM ANY METROPOLITAN AGENT, OR AT ANY METROPOLITAN OFFICE**

## Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD    Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



THIS IS THE SIXTY-FIRST in Metropolitan's series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Saturday Evening Post, June 5; Business

Week, June 5; Forbes, June 1; Newsweek, June 7; American Weekly, June 6; United States News, June 4; Time, June 7; Nation's Business, June; This Week, June 13; American Mercury, June.